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INDIVIDUAL INCOME TAX RETURNS 1989

▲ RETURNS FILED \$ TAX COMPUTATIONS \$
SALARIES & WAGES \$ TAXABLE INCOME ▼
▲ EXEMPTIONS \$ STANDARD DEDUCTIONS
ADJUSTED GROSS INCOME \$ INCOME TAX
NET GAINS ▲ NET LOSSES ▼ TAX LIABILITY
ITEMIZED DEDUCTIONS \$ ADJUSTMENTS ▼
▼ IRAS \$ MARITAL STATUS ▼ DEPENDENTS
INTEREST ▼ ALTERNATIVE MINIMUM TAX
\$ NONTAXABLE RETURNS ▼ TAX REFUNDS
▲ TAX CREDITS ▼ SOURCES OF INCOME \$
DIVIDENDS ▲ ROYALTIES \$ CAPITAL GAINS
\$ EARNED INCOME CREDIT ▼ TAX RATES ▲

STATISTICS OF INCOME DIVISION

Department
of the
Treasury
Internal
Revenue
Service

Individual Income Tax Returns 1989

Publication 1304 (Rev. 9-92)

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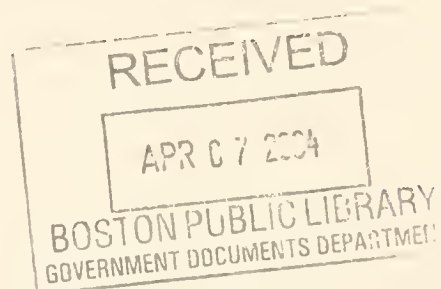
This report contains data on sources of income, adjusted gross income, exemptions, deductions, taxable income, income tax, modified income tax, tax credits, self-employment tax, and taxpayments. Classifications are by tax status, size of adjusted gross income, marital status, and type of tax computation.

Additional unpublished information from individual income tax returns, classified by size of adjusted gross income, is available on a reimbursable basis. A public-use computer tape file, i.e., the Individual Tax File, containing the records selected for the Statistics of Income sample is also available on a reimbursable basis. This file is suitable primarily for making national level estimates.

The Statistics of Income Division Statistical Information Services (SIS) staff provides data, statistical analysis, and information in response to requests from customers in the IRS, other Government agencies, congressional offices, businesses, academic institutions, and the public. In addition, the SIS staff provides data referral services, acts as liaison between requesters and IRS analysts on technical questions, and arranges for sales or transmittals of publications and published tables. The SIS staff can be reached by telephone on (202) 874-0410 or by FAX (202) 874-0922.

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Section 1

Introduction and Changes in Law*

This report contains complete individual income tax data for Tax Year 1989. The statistics are estimates based on a stratified probability sample of individual income tax returns, selected before audit, and represent coverage of approximately 112 million Forms 1040, 1040A, and 1040EZ filed by the nation's taxpayers for Tax Year 1989.

Table A on the following page shows selected income and tax items for Tax Years 1975, 1980, 1985, 1988, and 1989, with the percentage change from Tax Year 1988 to 1989. **When comparing income and tax items from different years, it is important to note any changes in the tax law; of special importance are the changes generated by the Tax Reform Act of 1986**

From 1988 to 1989, the number of returns filed increased by 2.4 million, and adjusted gross income (AGI) increased by more than \$173.3 billion, or 5.6 percent. Total income tax (the sum of income tax after credits and the alternative minimum tax) rose 4.9 percent from 1988 to 1989.

This report is divided into six sections. Section 1 includes requirements for filing, changes in tax law for 1989 which may affect the statistics, and an explanation of the 1979 Income Concept.

The 1979 Income Concept is a consistent measure of income which is used to compare average tax rates from 1986 to 1989, showing the difference before and after tax reform. Section 2 gives a description of the sample of income tax returns upon which the statistics are based, and Section 3 contains the basic tables of detailed statistics on individual tax returns. Section 4 provides an explanation of the terms used in the tables. The tax return forms and instructions appear in Section 5, and Section 6 contains an index.

Requirements for Filing

The Internal Revenue Code of 1986, as amended, provides the legal basis for the tax activity detailed in this volume. For Tax Year 1989, the principal criteria that determined the general filing requirements were gross income, filing status, marital status, and age. Gross income included all income received in the form of money, property, and services that were not expressly exempt from tax.

*Edward Gross, Jr. was responsible for the production of this report. Louella Ballenger, Charles Hicks and Dodie Riley made contributions to the text. Technical assistance was provided by Michael Strudler. Copy design and preparation were completed by Edward Gross, Jr. This report was prepared under the direction of Jeff Hartzok, Chief, Returns Analysis Section, Individual Statistics Branch.

Individual Returns/1989

Table A.—Selected Income and Tax Items for Selected Years, 1975–1989

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1975	1980	1985	1988	1989	Percent change, 1988 to 1989
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	82,229,332	93,902,469	101,660,287	109,708,280	112,135,673	2.2
Form 1040 returns	54,527,726	57,122,592	67,006,425	71,359,242	71,563,456	0.3
Form 1040A returns	27,701,606	36,779,877	18,124,702	19,066,165	20,478,063	7.4
Form 1040EZ returns	(N.A.)	(N.A.)	16,529,160	19,282,873	20,094,154	4.2
Total income, amount	962,886,872	1,642,345,558	2,401,033,782	3,111,221,671	3,280,931,125	5.5
Adjusted gross income, less deficit	947,784,873	1,613,731,497	2,305,951,483	3,083,019,783	3,256,358,156	5.6
Salaries and wages:						
Number of returns	73,520,046	83,802,109	87,198,001	93,257,370	95,487,922	2.4
Amount	795,399,462	1,349,842,802	1,928,200,978	2,337,984,129	2,449,530,553	4.8
Taxable interest received:						
Number of returns	40,378,240	49,019,575	64,526,434	69,421,338	69,881,648	0.7
Amount	43,433,554	102,009,444	182,109,194	186,981,636	220,015,823	17.7
Dividends in adjusted gross income:						
Number of returns	8,853,491	10,738,982	15,527,579	22,903,155	23,079,592	0.8
Amount	21,892,126	38,761,253	55,046,351	77,329,507	81,309,036	5.1
Business or profession net income less loss:						
Number of returns	7,242,542	8,881,119	11,900,341	13,571,440	14,160,696	4.3
Amount	39,421,478	55,129,154	78,772,577	126,323,250	132,737,680	5.1
Net capital gain less loss in adjusted gross income ¹ :						
Number of returns	7,962,663	8,929,474	12,579,494	14,309,235	15,059,662	5.2
Amount	14,307,158	29,659,600	68,277,779	153,768,209	145,630,930	-5.3
Pensions and annuities in adjusted gross income:						
Number of returns	5,088,937	7,373,704	13,133,295	16,481,248	16,816,830	2.0
Amount	20,886,871	43,339,736	95,096,003	138,785,886	147,358,442	6.2
Rent and royalty net income less loss in adjusted gross income:						
Number of returns	7,143,812	8,208,132	9,544,495	9,985,858	9,747,254	-2.4
Amount	5,202,078	4,105,381	-12,963,726	-1,278,809	-1,438,255	12.5
Partnership and S Corporation net income less loss:						
Number of returns	(U)	(U)	5,487,671	5,899,223	5,928,288	0.5
Amount	12,811,091	10,099,346	-2,526,591	57,080,226	63,092,056	10.5
Farm net income less loss:						
Number of returns	2,755,041	2,608,430	2,620,861	2,367,527	2,359,718	-0.3
Amount	3,563,325	-1,792,466	-12,005,483	-1,176,537	-213,939	(N.A.)
Total statutory adjustments:						
Number of returns	9,024,255	13,148,919	37,763,418	10,747,370	9,926,729	-7.6
Amount	15,101,999	28,614,061	95,082,299	28,201,888	24,572,969	-12.9
Individual Retirement Arrangement payments:						
Number of returns	1,211,794	2,564,421	16,205,846	6,361,421	5,824,914	-8.4
Amount	1,436,443	3,430,894	38,211,574	11,881,754	10,828,694	-8.9
Self-employed (Keogh) retirement plan:						
Number of returns	595,892	568,936	675,822	814,586	822,353	1.0
Amount	1,603,788	2,007,666	5,181,993	6,626,908	6,326,156	-4.5
Number of exemptions	212,202,596	227,925,098	244,180,202	221,884,006	223,756,252	0.8
Total deductions:						
Number of returns	81,585,541	88,491,251	96,848,626	108,819,935	111,311,212	2.3
Amount	233,181,778	346,000,155	554,733,523 ²	685,954,065 ³	740,409,033 ³	7.9
Total itemized deductions:						
Number of returns	26,074,061	28,950,282	39,848,184	31,902,985	31,972,317	0.2
Amount	122,260,601	218,028,139	405,023,525	395,216,456	430,977,999	9.1
Medical and dental expense	11,422,312	14,972,082	22,926,214	17,993,829	20,920,881	16.3
Taxes paid	44,141,289	69,404,275	128,084,618	120,628,182	131,299,652	8.9
Interest paid	38,885,282	91,187,006	180,094,578	179,737,720	193,186,034	7.5
Contributions	15,393,331	25,809,608	47,962,848	50,949,273	55,459,205	8.9
Taxable income:						
Number of returns	65,852,602	88,104,696	96,124,046	90,281,729	92,313,789	2.3
Amount	595,492,866	1,279,985,360	1,820,740,833	2,069,966,980	2,173,345,881	5.0
Income tax before credits:						
Number of returns	65,854,734	76,135,819	85,994,216	90,218,979	92,246,065	2.3
Amount	132,452,044	256,294,315	332,165,333	418,889,165	438,240,138	4.6
Total tax credits	8,069,846	7,215,839	10,248,044	7,047,140	6,131,134	-13.0
Child care credit	(N.A.)	956,439	3,127,702	3,812,849	2,439,471	-36.0
Credit for the elderly or disabled	128,968	134,993	108,642	68,904	64,490	-6.4
Foreign tax credit	381,985	1,341,675	782,561	1,087,203	1,311,742	20.7
Income tax after credits	124,382,197	249,078,475	321,917,289	411,842,025	432,109,004	4.9
Total income tax:						
Number of returns	61,490,737	73,906,244	82,846,420	87,135,332	89,178,355	2.3
Amount	124,526,297	250,341,440	325,710,254	412,869,909	432,939,998	4.9

(N.A.) Not applicable

(U) Unavailable

¹ Includes capital gain distributions.² Includes total itemized deductions, charitable contributions for non-itemizers, and zero bracket amount on non-itemized deductions.³ Includes total itemized deductions, and basic and additional standard deductions (zero bracket amount in lieu of standard deduction for prior year returns).

Figure 1.—General Filing Requirements

Marital Status	Filing Status	Age	Gross Income
Single (including divorced and legally separated)	Single	under 65 65 or older	\$5,100 \$5,850
	Head of household	under 65 65 or older	\$6,550 \$7,300
Married with a child and living apart from spouse during the last 6 months of 1989	Head of household	under 65 65 or older	\$6,550 \$7,300
Married and living with spouse at end of 1989 (or on the date spouse died)	Married, joint return	under 65 (both spouses)	\$9,200
		65 or older (one spouse)	\$9,800
		65 or older (both spouses)	\$10,400
	Married, separate return	any age	\$2,000
Married not living with spouse at end of 1989 (or on the date spouse died)	Married, joint or separate return	any age	\$2,000
Widowed before 1989 and not remarried in 1989	Single	under 65 65 or older	\$5,100 \$5,850
	Head of household	under 65 65 or older	\$6,550 \$7,300
	Qualifying widow(er) with dependent child	under 65 65 or older	\$7,200 \$7,800

Generally, a U.S. citizen or resident had to file a tax return if gross income for the year was at least as much as the amount shown for the appropriate filing status in Figure 1 above. Figure 2 must be used if a taxpayer can be claimed as a dependent by another person (such as a parent).

In addition to these filing requirements, an individual had to file a return for Tax Year 1989 if he or she:

(1) was liable for any of the following taxes:

- social security tax on unreported tip income;
- uncollected social security tax or railroad retirement tax on reported tip income;
- tax on an individual retirement arrangement (IRA) or other qualified retirement plan;
- alternative minimum tax;

- tax from the recapture of investment credit or low income housing credit.

(2) received advanced earned income payments;

(3) had net earnings of at least \$400 from self-employment income; or

(4) had wages of \$100 or more from a church or qualified church-controlled organization that was exempt from employer social security taxes.

Data shown in these tables include individuals who were not required to file tax returns but filed in order to obtain refunds of tax withheld or to take advantage of the earned income credit.

Changes in Law

All major changes in effect for Tax Year 1989 that are included in Statistics of Income data are listed below in alphabetical order. Section 4 contains more detailed explanations and definitions of the terms used in this report.

Child Care Credit

Beginning in 1989, the following new rules were applicable:

- Payments for the care of a dependent child could be claimed only if the child was disabled or under age 13; the limit was under age 15 for Tax Year 1988.

- The care provider had to be identified (by social security or employer identification number) on the return.
- The dollar limit had to be reduced by any employer-provided dependent care benefits that could be excluded in the computation of AGI.

Earned Income Credit

The earned income credit was increased to a maximum \$910 for 1989. Some credit was available for qualified individuals whose earned income and AGI were each less than \$19,340. For 1988, the maximum credit was \$874, and the credit phased out entirely if income or earnings exceeded \$18,576.

Figure 2.—Filing Requirements for Children and Other Dependents

If someone (such as a parent) can claim the filer as a dependent, use Figure 2 to determine if a return must be filed. Unearned income includes taxable interest and dividends. Earned income includes wages, tips, and taxable scholarships and fellowships.

1. A single dependent under 65

Must file a return if—

His or her unearned income was:	and	the total of that income plus earned income was:
\$1 or more		more than \$500
\$0		more than \$3,100

2. A single dependent 65 or older or blind

Must file a return if—

- His or her earned income was more than \$3,850, or
- His or her unearned income was more than \$1,250 (\$2,000 if 65 or older and blind), or
- His or her gross income was more than the total of earned income (up to \$3,100) or \$500, whichever is larger, plus \$750 (\$1,500 if 65 or older and blind).

Exception for Children Under Age 14. If a child was under the age of 14 on January 1, 1990, and all of the following apply, a filer may elect to report the child's income on his or her return. If this election is made, the child does not have to file a return.

- The child had income only from interest and dividends;
- The child's gross income was less than \$5,000; and

3. A married dependent under 65

Must file a return if—

- His or her earned income was more than \$2,600, or
- He or she had any unearned income and gross income was more than \$500, or
- His or her gross income was at least \$5 and spouse files a separate return on Form 1040 and itemizes deductions.

4. A married dependent 65 or older or blind

Must file a return if—

- His or her earned income was more than \$3,200, or
- His or her unearned income was more than \$1,100 (\$1,700 if 65 or older and blind), or
- His or her gross income was more than the total of earned income (up to \$2,600), or \$500, whichever is larger, plus \$600 (\$1,200 if 65 or older and blind), or
- His or her gross income was at least \$5 and spouse files a separate return on Form 1040 and itemizes deductions.

- The child had no Federal income tax withheld from his or her income (backup withholding) or did not make estimated tax payments for 1989.

If the child's parents are not filing a joint return, special rules apply to determine which parent may make the election. Details may be found in **Form 8814, Parent's Election to Report Child's Interest and Dividends**, for details.

Employee Business Expenses

For Tax Year 1988, there was an adjustment as well as an itemized deduction item for employee business expenses. The adjustment item was to cover expenses that were included as income on the taxpayer's Forms W-2 and 1040; the deduction item was for unreimbursed expenses. For 1989, employers were to include only "nonaccountable" business expenses on Form W-2. "Accountable" expenses were to be excluded from income and shown neither as an adjustment nor a deduction. All other employee business expenses could be deducted only as an itemized deduction, subject to reduction by 2 percent of AGI.

Exemptions

The amount of each individual personal exemption increased to \$2,000 for 1989 from \$1,950 for 1988. As was true for 1988, the deduction for exemptions was phased out for taxpayers with taxable income above certain limits. These limits, which varied according to marital status, were adjusted for inflation for Tax Year 1989. See also Tax Rates.

For Tax Year 1989, an age limit for students was introduced to the exemption qualification test: to qualify for the exemption, a student had to be under age 24. For previous years, any dependent child who was a full-time student could qualify for the exemption.

Interest Paid Deduction

For 1989, the deductible portion of personal interest was limited to 20 percent of expenditures for personal interest, which included interest on credit cards, car loans, or personal loans. For 1988, 40 percent of personal interest was deductible.

Passive Losses

Under the Tax Reform Act of 1986, some of the "passive" losses (i.e., those generated by any

trade, business, or rental activity in which the taxpayer did not materially participate) entered into before October 23, 1986 were allowed to offset "nonpassive income". For Tax Year 1989, 20 percent of such losses were allowed to offset nonpassive income, down from 40 percent allowed for 1988. The disallowed, or nondeductible, passive losses for 1989 could, in many cases, be carried forward to 1990. (Most of the passive loss activity was concentrated in partnerships and rental activities on Schedule E.)

Parent's Election to Report Child's Interest and Dividends

For Tax Year 1989, a child's interest and dividends could be reported on the parent's return if the child was under age 14 on January 1, 1990, and met certain other conditions. If this election was made, the child was not required to file a return.

Pensions and Annuities

For Tax Year 1989, a 50 percent excise tax was applied to excess accumulations in any qualified pension plan. In previous years, the 50 percent tax applied only when required distributions were not made from Individual Retirement Arrangements, but it did not apply to other pension plans which qualified for special tax treatment under the Internal Revenue Code. See also Penalty Tax on Qualified Retirement Plans in Section 4.

Self-Employment Tax

The maximum net earnings subject to self-employment tax increased to \$48,000 for 1989 from \$45,000 for 1988, while the net tax rate remained at 13.02 percent for 1989.

Standard Deduction

As the result of an inflation adjustment, the basic standard deduction was increased for 1989.

The standard deduction rose from \$3,000 to \$3,100 for single taxpayers, from \$5,000 to \$5,200 for those filing joint returns, from \$2,500 to \$2,600 for married filing separately, and from \$4,400 to \$4,550 for heads of household. The additional standard deduction for taxpayers age 65 or older or blind also increased for 1989. See also Section 4, Standard Deduction.

Tax Rates

For 1989, the tax rate schedules contained the same two basic rates as for 1988: 15 and 28 percent, plus a range in which an additional 5 percent rate applied. The income levels at which the rate increased to 28 percent, and at which the 5 percent additional rate applied were all indexed for inflation.

For single filers, taxable income in excess of \$18,550 was taxed at the 28 percent rate, an increase over the \$17,850 breakpoint for 1988. For married couples filing jointly and qualifying widow(er)s, the breakpoint amount for 1989 was \$30,950, up from \$29,750 for 1988. The breakpoints for heads of households and married couples filing separately were \$24,850 and \$15,475, respectively.

Taxable income in excess of \$44,900 if the taxpayer was single, \$74,850 if married filing jointly or a qualifying widow(er), \$64,200 if head of household, and \$37,425 if married filing separately, was subject to the additional 5 percent tax. The purpose of this was to phase out the benefits of the 15 percent tax rate and the deduction for personal exemptions for taxpayers and dependents. The benefits of the 15 percent tax rate bracket were phased out, and completely disappeared at varying levels of taxable income, according to filing status: \$93,130 for single taxpayers, \$155,320 for married filing jointly and qualifying widow(er)s, \$128,810 for heads of households, and \$117,895 for married filing separately. After the benefits of personal exemptions were also phased out, a 28 percent tax was imposed on each additional dollar of taxable income.

The 1979 Income Concept

A Retrospective Income Definition

In order to analyze changes in income and taxes over a period of years, a consistent definition of income must be used. The income concept available from Federal income tax returns, AGI, was designed to facilitate tax administration, and its definition has changed to reflect modifications to the Internal Revenue Code. Tax laws of the 1980's—the Economic Recovery Tax Act of 1981, the Tax Equity and Fiscal Responsibility Act of 1982, the Tax Reform Act of 1984, and the Tax Reform Act of 1986—made significant changes to the components of AGI, which made it more difficult to use AGI for accurate comparisons of income from year to year. For this reason, it was decided to develop an income definition that would be applicable over several years and allow comparisons both before and after the major tax legislation of the 1980's.

The result was a retrospective income definition known as the *1979 Income Concept*, reflecting a base period from 1979 through 1986. It was calculated using only data available from individual income tax returns; by using the same income items in the calculation each year, its definition was consistent throughout the base years. In addition, this retrospective income definition could be used in future years to compare income by continuing to include the same components that were common to all years [1].

The calculation of the 1979 Income Concept is shown in Figure 3. Several items partially excluded from AGI for the base years were fully included in this new income measure, the largest of which was capital gains. The full amount of all capital gains, as well as all dividends and unemployment compensation, was included in the income calculation. Total pensions, annuities, IRA distributions, and rollovers were added, including

Figure 3.—Calculation of the 1979 Income Concept for 1989

1979 Total Income Concept =

Salaries and wages*

plus (+):

- Interest*
- Dividends (without any exclusion)*
- Alimony received*
- Capital gains (without any exclusion) reported on Schedule D and allowable losses*
- Capital gains and losses not reported on Schedule D (without any exclusion)*
- Other gains or losses (Form 4797)*
- Net business income or loss*
- Net farm income or loss*
- Net rent income or loss*
- Net royalty income or loss*
- Net partnership income or loss*
- Net Subchapter S Corporation income or loss*
- Net farm rental income or loss*
- Net estate and trust income or loss*
- Unemployment insurance income reported*
- Depreciation in excess of straight-line depreciation**
- Total pension income reported**
- Other net income*

minus (—):

- Disallowed passive losses**
- Moving expenses**
- Employee business expenses (includes both reimbursed and unreimbursed)**
- Alimony paid*

*Included in AGI for Tax Year 1989.

**Not fully included in AGI for Tax Year 1989.

the nontaxable portion that was excluded from AGI. Social security benefits were omitted because they were not reported on tax returns until 1984. Also, any depreciation deduction in excess of straight-line depreciation, which was subtracted in computing AGI, was added back.

Deductions that could be subtracted in the calculation of the 1979 Income Concept were limited to employee business expenses, alimony paid, and moving expenses. These same items were also subtracted in computing AGI until 1987 when unreimbursed business expenses and moving expenses were changed from adjustments to itemized deductions. The amount reported for these two expenses by taxpayers who itemized deductions was subtracted in the calculation of the 1979 Income Concept. But, taxpayers who did not itemize deductions could not claim either of these two expenses, since they were not allowed as "adjustments" after 1986. For this reason, the deduction for these two expenses beginning in 1987 is not completely comparable to that for previous years.

Comparison of AGI with 1979 Income Concept

The Tax Reform Act of 1986 made extensive changes to the calculation of AGI beginning with 1987. These changes made it necessary that the calculation of the 1979 Income Concept be revised, in order to make tax years beginning with 1987 comparable to the base years, 1979 to 1986. The new law limited the deduction of passive losses and eliminated unreimbursed employee business expenses and moving expenses as "adjustments" in figuring AGI beginning with Tax Year 1987. Since passive losses had been fully deductible for both income measures prior to 1987, the disallowed passive losses had to be deducted in the 1979 Income Concept calculation of income for tax years after 1986.

Some income items, such as capital gains, that had been partially excluded from AGI under prior law were fully included. The new law also eliminated or restricted some deductions. For this reason, if AGI is used to measure income, any comparison of 1986 income and tax data with that for 1987, 1988, and 1989 is misleading. A more accurate comparison can be made using the 1979 Income Concept because it measures income in the same way for all four years. Table B shows total income and selected tax items for 1989 using AGI and the 1979 Income Concept.

Table B.—All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 1989

[All figures are estimates based on samples—numbers of returns are in thousands and money amounts are in millions of dollars]

Size of income	Income				Salaries and wages			
	Size of AGI		1979 Income Concept		Size of AGI		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	112,136	3,256,358	112,136	3,286,325	95,488	2,449,531	95,488	2,449,531
Under \$10,000	32,599	110,945	32,329	102,004	25,923	122,735	25,781	120,945
\$10,000 under \$20,000	26,041	382,319	25,979	381,806	21,436	290,517	21,400	290,513
\$20,000 under \$30,000	16,947	418,153	17,120	422,122	14,956	340,644	14,952	339,730
\$30,000 under \$40,000	12,100	420,232	12,302	426,848	11,014	350,660	11,117	352,791
\$40,000 under \$50,000	8,590	383,689	8,590	383,493	7,855	316,833	7,924	321,756
\$50,000 under \$60,000	5,506	300,536	5,383	293,945	5,097	249,631	5,018	246,325
\$60,000 under \$70,000	3,284	212,047	3,252	210,111	3,013	173,006	3,006	171,952
\$70,000 under \$80,000	2,042	152,436	2,042	152,490	1,873	122,556	1,869	122,114
\$80,000 under \$90,000	1,277	108,060	1,255	106,219	1,141	80,416	1,121	79,461
\$90,000 under \$100,000	872	82,512	845	79,963	768	59,926	745	56,311
\$100,000 under \$125,000	1,057	117,086	1,090	120,570	909	80,002	951	81,847
\$125,000 under \$150,000	512	69,605	563	76,448	434	44,501	474	45,558
\$150,000 under \$175,000	312	50,285	322	52,039	256	29,567	270	30,489
\$175,000 under \$200,000	210	39,356	221	41,308	174	22,277	179	22,676
\$200,000 under \$300,000	384	92,772	404	97,990	312	50,720	331	50,326
\$300,000 under \$400,000	152	52,007	166	56,829	124	27,020	131	27,017
\$400,000 under \$500,000	77	34,337	80	35,786	63	17,026	64	16,816
\$500,000 under \$1,000,000	116	78,516	127	86,940	94	34,438	103	34,955
\$1,000,000 or more	58	151,465	63	159,414	47	37,056	52	37,946

Size of income	Taxable interest received				Dividends in AGI		Dividends received	
	Size of AGI		1979 Income Concept		Size of AGI		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total	69,882	220,016	69,882	220,016	23,080	81,309	23,080	81,309
Under \$10,000	13,482	20,003	13,251	20,650	3,159	4,010	3,057	4,116
\$10,000 under \$20,000	13,493	31,780	13,370	31,174	3,348	6,358	3,273	6,220
\$20,000 under \$30,000	11,182	25,160	11,365	27,290	3,102	6,077	3,200	6,586
\$30,000 under \$40,000	9,416	20,549	9,613	22,557	2,912	5,801	2,988	6,460
\$40,000 under \$50,000	7,374	18,631	7,377	17,567	2,662	5,307	2,665	5,342
\$50,000 under \$60,000	5,021	13,489	4,899	12,678	2,061	5,099	1,998	4,704
\$60,000 under \$70,000	3,090	10,773	3,067	9,819	1,512	4,400	1,481	3,980
\$70,000 under \$80,000	1,945	7,579	1,951	7,475	1,022	3,154	1,035	3,512
\$80,000 under \$90,000	1,225	6,688	1,201	6,399	739	3,352	719	2,863
\$90,000 under \$100,000	841	5,859	816	5,555	511	2,442	490	2,621
\$100,000 under \$125,000	1,026	7,930	1,057	7,689	682	4,038	696	3,558
\$125,000 under \$150,000	496	4,949	551	5,354	354	2,507	399	2,934
\$150,000 under \$175,000	305	4,091	314	3,591	223	2,116	226	1,681
\$175,000 under \$200,000	206	3,127	215	2,998	156	1,593	164	1,890
\$200,000 under \$300,000	381	7,128	401	7,296	300	4,709	317	4,527
\$300,000 under \$400,000	150	4,728	164	4,754	123	2,761	136	2,779
\$400,000 under \$500,000	77	3,063	80	3,048	63	1,987	66	1,919
\$500,000 under \$1,000,000	115	7,844	127	7,648	99	4,590	110	4,718
\$1,000,000 or more	58	16,644	63	16,474	52	11,009	57	10,900

Size of income	Business or profession net income less loss				Sales of capital assets			
	Size of AGI		1979 Income Concept		Size of AGI		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	14,161	132,738	14,161	132,738	15,060	145,631	15,060	145,631
Under \$10,000	2,927	1,650	2,883	1,394	1,930	7,671	1,871	8,312
\$10,000 under \$20,000	2,638	14,280	2,585	13,689	1,990	2,463	1,925	2,322
\$20,000 under \$30,000	2,140	13,382	2,141	13,029	1,910	3,482	1,966	3,412
\$30,000 under \$40,000	1,777	12,359	1,824	12,496	1,803	3,683	1,903	4,466
\$40,000 under \$50,000	1,384	11,883	1,381	11,309	1,652	4,761	1,639	4,638
\$50,000 under \$60,000	983	10,562	978	10,350	1,271	4,380	1,224	4,323
\$60,000 under \$70,000	595	7,975	596	7,670	999	4,288	975	4,384
\$70,000 under \$80,000	410	6,383	395	5,963	708	3,693	716	3,415
\$80,000 under \$90,000	279	5,820	290	6,011	556	3,495	544	3,399
\$90,000 under \$100,000	201	4,741	201	4,954	409	3,768	388	3,638
\$100,000 under \$125,000	297	10,228	308	9,683	548	6,071	544	5,513
\$125,000 under \$150,000	143	5,965	163	6,909	308	4,603	348	5,117
\$150,000 under \$175,000	84	3,957	89	4,441	213	4,162	207	3,738
\$175,000 under \$200,000	67	3,668	68	3,425	140	4,048	148	3,966
\$200,000 under \$300,000	118	7,253	127	7,923	288	10,669	299	10,257
\$300,000 under \$400,000	46	3,540	52	4,044	120	6,510	129	6,791
\$400,000 under \$500,000	21	1,945	19	1,854	62	5,465	65	5,451
\$500,000 under \$1,000,000	33	3,619	39	4,001	100	14,016	110	14,079
\$1,000,000 or more	17	3,527	20	3,593	53	48,403	58	48,410

Table B.—All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 1989
 [All figures are estimates based on samples—numbers of returns are in thousands and money amounts are in millions of dollars]

Size of income	Rents, royalties, and farm rental net income less loss				Partnership and S Corporation net income less loss			
	Size of AGI		1979 Income Concept		Size of AGI		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
All returns, total	10,131	928	10,131	928	5,928	63,092	5,928	63,092
Under \$10,000	1,266	-2,098	1,242	-2,133	633	-17,472	641	-19,146
\$10,000 under \$20,000	1,579	134	1,545	-126	584	701	555	910
\$20,000 under \$30,000	1,400	-1,111	1,444	-626	570	579	588	472
\$30,000 under \$40,000	1,292	-849	1,335	-965	604	1,477	640	1,528
\$40,000 under \$50,000	1,105	-660	1,075	-630	577	1,520	559	1,295
\$50,000 under \$60,000	840	-1,132	818	-1,036	467	2,099	450	2,553
\$60,000 under \$70,000	602	-779	588	-947	384	1,615	357	1,742
\$70,000 under \$80,000	410	-228	416	-253	291	1,620	294	1,413
\$80,000 under \$90,000	309	-154	302	77	276	2,334	275	2,269
\$90,000 under \$100,000	270	197	259	-2	201	1,369	204	1,438
\$100,000 under \$125,000	313	167	330	298	323	3,339	319	3,228
\$125,000 under \$150,000	175	416	193	428	209	3,961	218	3,753
\$150,000 under \$175,000	124	1,113	122	888	159	3,201	155	3,121
\$175,000 under \$200,000	83	306	83	284	109	2,716	116	2,830
\$200,000 under \$300,000	166	1,233	171	1,306	239	8,662	236	8,738
\$300,000 under \$400,000	69	1,092	71	1,005	105	4,836	110	5,206
\$400,000 under \$500,000	35	553	37	550	56	3,210	58	3,657
\$500,000 under \$1,000,000	61	1,173	67	1,233	91	9,990	99	10,165
\$1,000,000 or more	32	1,552	34	1,578	50	27,335	54	27,921

Size of income	Nondeductible passive losses				Estate and trust net income less loss			
	Size of AGI		1979 Income Concept		Size of AGI		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total	1,719	23,193	1,719	23,193	552	3,959	552	3,959
Under \$10,000	129	6,240	160	10,223	96	114	93	61
\$10,000 under \$20,000	91	610	98	400	81	199	77	179
\$20,000 under \$30,000	124	596	132	583	64	227	77	296
\$30,000 under \$40,000	155	919	148	450	54	202	53	177
\$40,000 under \$50,000	129	331	127	455	35	39	36	-29
\$50,000 under \$60,000	131	541	118	436	33	44	30	79
\$60,000 under \$70,000	105	690	96	350	26	66	28	102
\$70,000 under \$80,000	84	264	91	306	20	106	19	117
\$80,000 under \$90,000	79	341	75	415	22	64	17	107
\$90,000 under \$100,000	61	378	58	324	18	218	18	151
\$100,000 under \$125,000	114	1,088	119	909	23	203	24	272
\$125,000 under \$150,000	97	1,000	93	945	13	133	12	111
\$150,000 under \$175,000	93	1,033	84	801	9	133	9	78
\$175,000 under \$200,000	61	746	61	561	8	101	9	114
\$200,000 under \$300,000	126	2,376	119	1,642	19	286	19	325
\$300,000 under \$400,000	49	1,076	50	929	10	190	11	222
\$400,000 under \$500,000	26	777	26	530	5	95	5	61
\$500,000 under \$1,000,000	42	1,916	44	1,266	9	425	10	427
\$1,000,000 or more	21	2,271	21	1,668	6	1,115	6	1,110

Size of income	Pensions and annuities in AGI ¹		Pensions and annuities ¹		Total statutory adjustments			
	Size of AGI		1979 Income Concept		Size of AGI		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	18,516	161,234	19,807	225,232	9,927	24,573	9,367	29,196
Under \$10,000	2,815	11,399	2,739	11,306	849	1,078	178	823
\$10,000 under \$20,000	4,710	32,678	4,696	32,941	1,647	2,283	610	1,931
\$20,000 under \$30,000	3,019	26,847	3,281	30,281	1,949	3,332	1,285	3,365
\$30,000 under \$40,000	2,318	21,598	2,553	25,934	1,740	3,298	1,629	3,735
\$40,000 under \$50,000	1,942	18,688	2,034	21,205	1,338	2,343	1,695	3,845
\$50,000 under \$60,000	1,227	12,535	1,353	13,816	566	1,405	1,218	3,045
\$60,000 under \$70,000	790	8,319	897	11,795	379	1,176	882	2,524
\$70,000 under \$80,000	484	6,245	592	8,931	273	1,095	548	1,941
\$80,000 under \$90,000	333	4,871	377	6,371	226	833	350	1,556
\$90,000 under \$100,000	238	3,477	284	5,329	176	789	210	1,007
\$100,000 under \$125,000	253	4,220	366	8,843	237	1,424	288	1,457
\$125,000 under \$150,000	116	2,219	184	6,818	147	979	150	978
\$150,000 under \$175,000	70	1,377	104	4,245	83	719	83	528
\$175,000 under \$200,000	43	1,175	65	3,026	65	634	55	431
\$200,000 under \$300,000	75	1,711	130	8,113	123	1,382	98	829
\$300,000 under \$400,000	28	776	54	5,130	47	584	36	409
\$400,000 under \$500,000	17	502	27	2,359	23	325	17	196
\$500,000 under \$1,000,000	24	1,278	48	9,428	38	576	24	338
\$1,000,000 or more	12	1,318	23	9,363	19	316	11	256

Table B.—All Returns: Selected Income and Tax Items, by Size of Adjusted Gross Income and by 1979 Income Concept, 1989
 [All figures are estimates based on samples—numbers of returns are in thousands and money amounts are in millions of dollars]

Size of income	Total itemized deductions				Taxable income			
	Size of AGI		1979 Income Concept		Size of AGI		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
All returns, total	31,972	430,978	31,965	412,931	92,314	2,173,346	92,314	2,173,346
Under \$10,000	792	7,032	827	8,133	14,929	27,515	14,833	27,910
\$10,000 under \$20,000	2,576	21,092	2,638	20,358	24,147	175,635	23,995	174,015
\$20,000 under \$30,000	4,289	35,788	4,348	34,344	16,776	254,268	16,924	256,541
\$30,000 under \$40,000	5,364	49,201	5,375	47,854	12,063	278,320	12,241	283,717
\$40,000 under \$50,000	5,424	56,658	5,409	53,891	8,566	263,108	8,559	263,500
\$50,000 under \$60,000	4,186	48,967	4,077	46,153	5,496	212,090	5,367	207,593
\$60,000 under \$70,000	2,797	37,194	2,736	34,909	3,282	152,785	3,241	150,564
\$70,000 under \$80,000	1,823	28,149	1,801	26,601	2,036	111,048	2,030	110,292
\$80,000 under \$90,000	1,159	20,102	1,131	18,760	1,276	79,960	1,252	77,820
\$90,000 under \$100,000	817	15,440	775	13,714	871	61,747	843	58,779
\$100,000 under \$125,000	990	21,946	1,015	21,041	1,056	88,632	1,087	88,607
\$125,000 under \$150,000	487	13,196	513	12,692	510	53,274	562	56,048
\$150,000 under \$175,000	297	9,136	299	8,671	310	39,304	322	39,022
\$175,000 under \$200,000	203	7,051	209	6,805	210	30,974	221	31,088
\$200,000 under \$300,000	374	15,978	383	15,095	383	74,519	403	74,550
\$300,000 under \$400,000	148	8,117	161	8,099	151	43,008	166	43,901
\$400,000 under \$500,000	76	5,036	79	4,958	77	28,863	80	28,708
\$500,000 under \$1,000,000	114	11,031	125	11,061	115	66,882	127	67,786
\$1,000,000 or more	57	19,863	62	19,792	57	131,415	63	132,907

Size of income	Total tax credits				Total income tax			
	Size of AGI		1979 Income Concept		Size of AGI		1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
All returns, total	12,035	6,131	12,035	6,131	89,178	432,940	89,178	432,940
Under \$10,000	634	99	632	107	14,322	4,251	14,229	4,423
\$10,000 under \$20,000	5,624	1,844	5,613	1,840	21,702	24,619	21,553	24,337
\$20,000 under \$30,000	1,361	600	1,383	600	16,716	38,920	16,861	39,386
\$30,000 under \$40,000	1,221	546	1,221	549	12,047	45,598	12,221	46,583
\$40,000 under \$50,000	955	411	967	417	8,560	44,034	8,554	44,170
\$50,000 under \$60,000	747	322	727	313	5,495	38,673	5,366	37,913
\$60,000 under \$70,000	454	235	446	213	3,282	30,192	3,241	29,831
\$70,000 under \$80,000	269	146	280	140	2,037	23,276	2,031	23,148
\$80,000 under \$90,000	193	163	174	130	1,275	17,542	1,249	17,215
\$90,000 under \$100,000	116	112	113	88	871	14,240	843	13,457
\$100,000 under \$125,000	132	138	136	129	1,056	21,526	1,086	21,387
\$125,000 under \$150,000	73	119	76	98	511	13,769	563	14,407
\$150,000 under \$175,000	53	104	53	106	310	10,600	321	10,415
\$175,000 under \$200,000	37	80	38	83	210	8,576	221	8,552
\$200,000 under \$300,000	71	229	76	272	383	21,152	403	21,029
\$300,000 under \$400,000	30	138	32	174	151	12,284	165	12,461
\$400,000 under \$500,000	16	87	16	99	77	8,196	80	8,109
\$500,000 under \$1,000,000	30	243	32	252	115	18,883	127	19,105
\$1,000,000 or more	20	515	20	520	58	36,610	63	37,010

¹ Individual Retirement Arrangements are included in the calculation of "Pensions and annuities in AGI" and "Pensions and annuities."

Income, as calculated by the two measures, showed little difference for 1989. Before TRA became effective, a comparison of income measured by AGI with that measured by the 1979 Income Concept showed significant differences at income levels of \$200,000 or more. But, with the elimination of preferential treatment of various income items by TRA, such as the exclusion of capital gains, much of the difference disappeared. Under tax law prior to 1987, the capital gains exclusion accounted for the largest difference at the higher income levels between the two income measures.

Total income for all returns, using the 1979 Income Concept, increased 5.8 percent for 1989; total income

for the group \$200,000 and above increased only 2.3 percent, following an increase of more than 50 percent for 1988. Total income tax reported for the \$200,000 and above income group decreased 2.8 percent for 1989 after increasing almost 38 percent for 1988. The slow growth in income for the \$200,000 and above income group is due in part to the decline of almost 12 percent in the sales of capital assets (net capital gains) for 1989. This decline may stem from decisions by taxpayers to postpone capital gains in anticipation of more favorable tax treatment in 1990, which had been outlined in proposed legislation.

The average tax rates (income tax as a percentage of total income) for each income class for years 1986

Figure 4.—Total Income Tax as a Percentage of Adjusted Gross Income and the 1979 Income Concept, 1986—1989

Size of Income	Total income tax as a percentage of adjusted gross income				Taxes as a percentage of 1979 Income Concept			
	1986	1987	1988	1989	1986	1987	1988	1989
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	14.8	13.3	13.4	13.3	13.3	13.1	13.3	13.2
Under \$10,000	4.3	4.0	4.0	3.8	4.9	4.2	4.4	4.3
\$10,000 under \$20,000	7.8	6.8	6.5	6.4	7.6	6.7	6.5	6.4
\$20,000 under \$30,000	10.6	9.4	9.3	9.3	10.0	9.3	9.3	9.3
\$30,000 under \$40,000	12.2	10.6	10.6	10.9	11.6	10.7	10.7	10.9
\$40,000 under \$50,000	13.8	11.8	11.6	11.5	12.6	11.7	11.7	11.5
\$50,000 under \$60,000	15.5	13.5	13.2	12.9	13.8	13.4	13.2	12.9
\$60,000 under \$70,000	16.9	15.1	14.5	14.2	14.9	15.0	14.5	14.2
\$70,000 under \$80,000	18.7	16.5	15.6	15.3	15.8	16.2	15.4	15.2
\$80,000 under \$90,000	19.9	17.8	16.6	16.2	16.7	17.5	16.1	16.2
\$90,000 under \$100,000	20.8	18.8	17.4	17.3	16.8	18.1	17.1	16.8
\$100,000 under \$125,000	23.1	20.1	18.8	18.4	18.3	19.3	18.0	17.7
\$125,000 under \$150,000	25.2	21.8	20.3	19.8	19.0	20.6	19.6	18.8
\$150,000 under \$175,000	28.0	23.0	21.6	21.1	19.3	21.2	20.6	20.0
\$175,000 under \$200,000	29.3	23.9	22.5	21.8	20.3	22.5	21.6	20.7
\$200,000 under \$300,000	31.1	25.8	23.7	22.8	22.6	23.8	22.3	21.5
\$300,000 under \$400,000	33.7	27.0	24.0	23.6	22.6	24.5	22.6	21.9
\$400,000 under \$500,000	36.2	28.2	24.1	23.9	23.4	26.5	23.2	22.7
\$500,000 under \$1,000,000	38.4	29.0	24.6	24.0	23.7	26.7	23.5	22.0
\$1,000,000 or more	40.2	28.6	25.0	24.2	21.4	26.8	24.5	23.2

through 1989, based on AGI and the 1979 Income Concept, are shown in Figure 4. Based on the 1979 Income Concept, average tax rates declined or remained the same from 1988 to 1989 in most income categories. At incomes over \$125,000 the decrease was larger, with incomes over \$500,000 showing the largest decline in average tax rates.

When average tax rates for 1989 (based on the 1979 Income Concept) are compared to those for 1986 (before tax reform), the rates declined or remained the same in almost all income categories except the \$1,000,000 and over income category, which showed the largest increase, and the \$150,000 to less than \$200,000 income group, which had a much smaller increase. Average tax rates on incomes of \$1,000,000 and over rose from 21.4 percent for 1986 to 23.2 percent for 1989. Although this higher average tax rate

for 1989 was calculated using a lower marginal tax rate—28 percent for 1989 compared to 50 percent for 1986—it was calculated on income which included all capital gains (long-term gains could be partially excluded from income for 1986). Also, certain deductions from income that were allowed for 1986, were limited or eliminated beginning in 1987.

Notes and References

- [1] Hostetter, Susan, "Measuring Income for Developing and Reviewing Individual Tax Law Changes: Exploration of Alternative Concepts," *Statistics of Income and Related Administrative Record Research: 1986-1987*, U.S. Department of the Treasury, Internal Revenue Service, 1987.

Section 2

Description of the Sample*

This section describes the sample criteria and selection, the method of estimation, and the sampling variability of the estimates contained in this report. It also describes some of the limitations of the data. Statistical estimates included in this report are based on samples of tax returns.

Sample Selection

The statistics in this report were estimated from a stratified probability sample of unaudited Individual Income Tax Returns, Forms 1040, 1040A, and 1040EZ filed by U.S. citizens and residents. The sample was designated at the Martinsburg Computing Center and was processed at the ten Internal Revenue Service (IRS) Centers during Calendar Year 1990. The total sample of 110,840 returns was selected from a population of 112,952,035 returns.

All returns processed during 1990 were subjected to sampling except tentative and amended returns. Tentative returns were not subjected to sampling because the revised returns may have been sampled later on, while amended returns were excluded because the original returns had already been subjected to sampling. A small percentage of returns were not identified as tentative or amended until after sampling. These returns along with those that contained no income information were excluded from the tables in this report. Sample returns representing 816,322 returns were excluded from the tables as a result.

The estimates in this report are intended to represent all returns filed for Tax Year 1989. While about 97 percent of the returns processed during Calendar Year 1990 were for Tax Year 1989, a few were for noncalendar years ending during 1989 and 1990, and some were returns for prior years. Returns for prior years were used in place of 1989 returns received and processed after December 31, 1990. This was done in the belief that the characteristics of returns due but not yet processed could best be represented by the returns for previous income years that were processed in 1990. Therefore, data for Tax Year 1989 may include amounts for discontinued items, such as the deduction for a working married couple, reported on prior year returns processed in 1990.

Sample Design and Selection Criteria

Data from Forms 1040, 1040A, and 1040EZ processed to the IRS Individual Master File System at the Martinsburg Computing Center during Calendar Year 1990 were classified, by computer, into sample strata. These strata were based on the larger of total income or total loss amounts and the size of business plus farm receipts. In addition, the strata were based on the presence or absence of a Form 2555, Foreign Earned Income; a Form 1116, Computation of Foreign Tax Credit; a Schedule C, Profit or Loss from Business or Profession; a Schedule F, Farm Income and Expenses; and Form 4835, Farm Rental Income

*Bonnye Walker designed the sample and prepared the text and tables in this section under the direction of Yahia Ahmed, Chief, Mathematical Statistics Team, Coordination and Publications Staff.

and Expenses. Twenty variables were used to derive the total income and loss amounts.

Returns were then selected from the sample strata using two methodologies. One method used certain ending digits of the social security number (SSN), and the second method used ending digits of numbers generated from transformations of the SSN. The sampling rates for the various strata ranged from 0.02 percent to 100 percent.

Table C contains the number of returns in the population and sample by sample stratum for the United States. A comparison of the population counts in Table C with the total shown in the national tables of this report will disclose a small difference. This difference is the result of having excluded an estimated 816,322 returns (see above).

Method of Estimation

Weighting factors were obtained by dividing the population count of returns in a sample stratum by the number of sample returns for that stratum. These weighting factors were used to generate all of the estimated numbers of returns and amounts in this report.

Table Presentation

Whenever a weighted frequency is less than 3, the estimate and its corresponding amount are combined or deleted in order to avoid disclosure of information for specific taxpayers. (The combined or deleted data, if any, are included in the corresponding column totals.) These combinations and deletions are indicated by a double asterisk (**) and by a dagger (†), respectively. Estimates based on less than 10 sampled returns are considered to be unreliable. These estimates are noted by a single asterisk (*) to the left of the data unless all of the sampled returns are selected with certainty (at the 100 percent rate).

In the tables, a dash (—) in place of a frequency or an amount indicates that either no returns in the population had the characteristic or the characteristic was so rare that it did not appear on any of the sampled returns.

Processing and Management of the Sample

While the sample was being selected, the selection process was monitored by applying prescribed sampling rates for each stratum to the population for that stratum. A follow-up was required to reconcile differences between the actual number of returns designated for each sample strata and the expected number.

In transcribing and tabulating the information from the returns in the sample, checks were imposed to improve the quality of the resulting estimates. Incorrect or missing entries on the sampled record were altered during statistical editing to make them consistent with other entries on the return and accompanying schedules. Data were also adjusted during processing in an attempt to achieve consistent statistical definitions. For example, a taxpayer may have reported director's fees on the "other income" line of the Form 1040 return. If this situation had been detected during statistical processing, the amount of director's fees would have been transferred to salaries and wages in the sample record.

The quality of the sample data was controlled at the IRS service centers by means of a continuous verification system that used computer tests to check for mathematical errors and inconsistent or missing data [1], [2].

Some returns designated for the sample are not available for SOI processing because other areas of IRS, such as Audit and Collection, need the return at the same time as SOI. These returns are referred to as unavailable returns. During Tax Year 1989 there were 69 unavailable returns which constituted about 0.06 percent of the designated sample. The chart below contains the percentage of unavailable returns for Tax Years 1986—1989.

Year	1986	1987	1988	1989
Percent	0.31	0.14	0.11	0.06

Table C.—Number of Forms 1040, 1040A and 1040EZ in the Population and Sample, 1989

Description of the sample strata	Number of returns ¹	
	Population counts	Sample counts
	(1)	(2)
Grand total	112,952,035	110,840
Form 1040 returns only with adjusted gross income of \$200,000 and over with no income tax after credits and no additional tax for tax preferences, total	1,113	1,113 ²
Form 1040 returns only with combined Schedule C (business or profession) net profit or loss of \$400,000 and over, total	11,219	11,219
Larger of total income amount and Size of business receipts or total loss amount plus farm receipts		
Forms 1040 only with Form 2555, total	192,486	838
Under \$60,000	116,504	106
\$60,000 under \$125,000		
Under \$60,000	\$500,000 under \$1,000,000	55
\$125,000 under \$600,000	Under \$10,000,000	
Under \$125,000	\$1,000,000 under \$10,000,000	405
\$600,000 under \$2,500,000	Under \$30,000,000	
Under \$600,000	\$10,000,000 under \$30,000,000	201
\$2,500,000 and over	Any amount	71
Under \$2,500,000	\$30,000,000 and over	71
Forms 1040 only with Form 1116, but without Form 2555, total	604,096	10,977
Under \$60,000	Under \$500,000	289
\$60,000 under \$125,000	Under \$1,000,000	
Under \$60,000	\$500,000 under \$1,000,000	245
\$125,000 under \$600,000	Under \$10,000,000	
Under \$125,000	\$1,000,000 under \$10,000,000	1,901
\$600,000 under \$2,500,000	Under \$30,000,000	
Under \$600,000	\$10,000,000 under \$30,000,000	4,173
\$2,500,000 and over	Any amount	4,369
Under \$2,500,000	\$30,000,000 and over	4,369
Forms 1040 only with Schedule C, but without Form 2555 or Form 1116, total	14,193,157	21,977
Under \$30,000	Under \$200,000	5,085
\$30,000 under \$60,000	Under \$500,000	4,975
Under \$30,000	\$200,000 under \$500,000	
\$60,000 under \$125,000	Under \$1,000,000	
Under \$60,000	\$500,000 under \$1,000,000	2,925
\$125,000 under \$250,000	Under \$5,000,000	
Under \$125,000	\$1,000,000 under \$5,000,000	1,326
\$250,000 under \$600,000	Under \$10,000,000	
Under \$250,000	\$5,000,000 under \$10,000,000	2,021
\$600,000 under \$1,200,000	Under \$20,000,000	
Under \$600,000	\$10,000,000 under \$20,000,000	1,263
\$1,200,000 under \$2,500,000	Under \$30,000,000	
Under \$1,200,000	\$20,000,000 under \$30,000,000	1,644
\$2,500,000 under \$6,000,000	Under \$50,000,000	
Under \$2,500,000	\$30,000,000 under \$50,000,000	1,615
\$6,000,000 and over	Any amount	1,123
Under \$6,000,000	\$50,000,000 and over	1,123
Forms 1040 only with Schedule F, but without Form 2555, Form 1116, or Schedule C, total	2,261,478	4,789
Under \$30,000	Under \$200,000	967
\$30,000 under \$60,000	Under \$500,000	
Under \$30,000	\$200,000 under \$500,000	1,065
\$60,000 under \$125,000	Under \$1,000,000	
Under \$60,000	\$500,000 under \$1,000,000	442
\$125,000 under \$250,000	Under \$5,000,000	
Under \$125,000	\$1,000,000 under \$5,000,000	192
\$250,000 under \$600,000	Under \$10,000,000	
Under \$250,000	\$5,000,000 under \$10,000,000	408
\$600,000 under \$1,200,000	Under \$20,000,000	
Under \$600,000	\$10,000,000 under \$20,000,000	340
\$1,200,000 under \$2,500,000	Under \$30,000,000	
Under \$1,200,000	\$20,000,000 under \$30,000,000	409
\$2,500,000 under \$6,000,000	Under \$50,000,000	
Under \$2,500,000	\$30,000,000 under \$50,000,000	699
\$6,000,000 and over	Any amount	267
Under \$6,000,000	\$50,000,000 and over	267
Forms 1040EZ, total	18,660,320	3,729
Under \$30,000	Not applicable	3,608
\$30,000 and over		121
Forms 1040A, total	19,788,575	6,211
Under \$30,000	Not applicable	5,139
\$30,000 and over		1,072
Forms 1040, 1040A, and 1040EZ without Form 2555, Form 1116, Schedule C, or Schedule F, total	57,239,591	49,987
Under \$30,000	30,982,022	20,558
\$30,000 under \$60,000	18,341,743	10,640
\$60,000 under \$125,000	6,686,219	5,921
\$125,000 under \$250,000	870,714	1,371
\$250,000 under \$600,000	274,996	2,020
\$600,000 under \$1,200,000	56,722	2,374
\$1,200,000 under \$2,500,000	18,778	2,477
\$2,500,000 under \$6,000,000	6,281	2,510
\$6,000,000 and over	2,116	2,116

¹ This population includes an estimated 816,322 returns that were excluded from other tables in this report because they contained no income information or represented amended or tentative returns identified after sampling.

² This population includes 35 Form 1040 returns that have alternative minimum tax or income tax after credits other than zero.

After the completion of service center review, data were further validated, tested, and balanced at the Detroit Computing Center. Computer adjustments and imputations for selected fields were used to make each record internally consistent, and the data were then tabulated.

A small subsample of returns was selected and independently reviewed, analyzed, and processed for a quality evaluation. Finally, prior to publication, all statistics and tables were reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing.

Sample Redesign

A complete revision of the sample design used to produce the statistics from individual income tax returns is being phased in over a 6-year period beginning with Tax Year 1987 and ending with Tax Year 1992. In addition to new strata definitions and methods of estimation, the revisions include the development of a longitudinal panel. For additional details on the redesign see [3], [4], [5], [6], [7] and [8].

Notes and References

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Section 3

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*Production and review of tables was coordinated by Edward Gross, Jr. Craig Ammon, William Bradley, Charles Hicks, Robert Kalish, Barbara Marshall, Kenneth Rice, and were responsible for specific tables.

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns					
	Number of returns	Percentage of total	Adjusted gross income less deficit			Number of returns	Percentage of total	Adjusted gross income less deficit			
			Amount	Percentage of total	Average (dollars)			Amount	Percentage of total		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
Size of Adjusted Gross Income											
Total	112,135,673	100.0	3,256,358,156	100.0	29,039	89,178,355	100.0	3,158,293,754	100.0		
No adjusted gross income	822,952	0.7	- 42,499,835	(3)	- 51,643	5,961	(2)	- 2,971,100	(3)		
\$1 under \$1,000	3,042,994	2.7	1,842,104	0.1	605	768,330	0.9	584,981	(2)		
\$1,000 under \$2,000	3,926,273	3.5	5,863,307	0.2	1,493	1,137,732	1.3	1,656,786	0.1		
\$2,000 under \$3,000	3,404,373	3.0	8,501,571	0.3	2,497	880,974	1.0	2,201,502	0.1		
\$3,000 under \$4,000	3,301,756	2.9	11,515,294	0.4	3,488	1,268,463	1.4	4,439,894	0.1		
\$4,000 under \$5,000	3,094,100	2.8	13,866,134	0.4	4,481	935,383	1.0	4,138,774	0.1		
\$5,000 under \$6,000	3,109,173	2.8	17,027,059	0.5	5,476	1,852,733	2.1	10,204,703	0.3		
\$6,000 under \$7,000	2,971,196	2.6	19,249,842	0.6	6,479	1,890,025	2.1	12,213,738	0.4		
\$7,000 under \$8,000	3,118,710	2.8	23,375,144	0.7	7,495	2,011,182	2.3	15,076,487	0.5		
\$8,000 under \$9,000	2,918,864	2.6	24,814,435	0.8	8,501	1,744,101	2.0	14,819,294	0.5		
\$9,000 under \$10,000	2,888,834	2.6	27,390,094	0.8	9,481	1,826,873	2.0	17,317,883	0.5		
\$10,000 under \$11,000	3,066,152	2.7	32,182,062	1.0	10,496	2,072,195	2.3	21,750,738	0.7		
\$11,000 under \$12,000	2,870,844	2.6	33,029,347	1.0	11,505	2,057,288	2.3	23,663,054	0.7		
\$12,000 under \$13,000	2,975,242	2.7	37,194,002	1.1	12,501	2,201,358	2.5	27,535,240	0.9		
\$13,000 under \$14,000	2,780,386	2.5	37,519,950	1.2	13,495	2,164,192	2.4	29,193,440	0.9		
\$14,000 under \$15,000	2,610,322	2.3	37,808,460	1.2	14,484	2,147,997	2.4	31,128,312	1.0		
\$15,000 under \$16,000	2,492,158	2.2	38,609,252	1.2	15,492	2,210,950	2.5	34,271,843	1.1		
\$16,000 under \$17,000	2,421,585	2.2	39,973,936	1.2	16,507	2,274,072	2.6	37,533,526	1.2		
\$17,000 under \$18,000	2,366,989	2.1	41,406,065	1.3	17,493	2,238,695	2.5	39,157,637	1.2		
\$18,000 under \$19,000	2,312,593	2.1	42,762,287	1.3	18,491	2,225,557	2.5	41,153,673	1.3		
\$19,000 under \$20,000	2,144,966	1.9	41,833,912	1.3	19,503	2,109,484	2.4	41,142,797	1.3		
\$20,000 under \$25,000	9,332,301	8.3	208,961,701	6.4	22,391	9,173,782	10.3	205,473,198	6.5		
\$25,000 under \$30,000	7,615,124	6.8	209,191,554	6.4	27,471	7,541,919	8.5	207,195,437	6.6		
\$30,000 under \$40,000	12,100,369	10.8	420,231,928	12.9	34,729	12,046,515	13.5	418,392,529	13.2		
\$40,000 under \$50,000	8,590,272	7.7	383,689,075	11.8	44,666	8,560,180	9.6	382,362,994	12.1		
\$50,000 under \$75,000	9,921,341	8.8	594,483,386	18.3	59,920	9,905,916	11.1	593,569,941	18.8		
\$75,000 under \$100,000	3,059,386	2.7	261,107,136	8.0	85,346	3,053,791	3.4	260,645,078	8.3		
\$100,000 under \$200,000	2,090,358	1.9	276,331,693	8.5	132,193	2,087,727	2.3	275,945,659	8.7		
\$200,000 under \$500,000	612,814	0.5	179,115,618	5.5	292,284	611,980	0.7	178,874,534	5.7		
\$500,000 under \$1,000,000	115,646	0.1	78,516,288	2.4	678,936	115,492	0.1	78,412,040	2.5		
\$1,000,000 or more	57,603	0.1	151,465,353	4.7	2,629,470	57,510	0.1	151,209,142	4.8		
Taxable returns—Continued											
Size and accumulated size of adjusted gross income	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percentage of total	Number of returns	Amount	Percentage of total	Amount	Percentage of			Average income tax (dollars)
								Total	Taxable income	Adjusted gross income less deficit	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Size of Adjusted Gross Income											
Total	89,127,496	2,166,089,001	100.0	89,162,747	432,109,004	100.0	432,939,998	100.0	20.0	13.7	4,855
No adjusted gross income	—	—	—	1,171	35,529	(2)	102,251	(2)	(3)	(3)	17,153
\$1 under \$1,000	765,315	158,351	(2)	768,329	26,594	(2)	26,595	(2)	16.8	4.5	35
\$1,000 under \$2,000	1,134,867	499,375	(2)	1,137,732	83,638	(2)	84,079	(2)	16.8	5.1	74
\$2,000 under \$3,000	880,966	526,899	(2)	880,974	88,244	(2)	91,712	(2)	17.4	4.2	104
\$3,000 under \$4,000	1,265,449	870,872	(2)	1,268,463	140,684	(2)	140,829	(2)	16.2	3.2	111
\$4,000 under \$5,000	929,354	1,372,618	0.1	935,383	221,105	0.1	221,105	0.1	16.1	5.3	236
\$5,000 under \$6,000	1,846,853	2,096,222	0.1	1,852,733	344,699	0.1	344,908	0.1	16.5	3.4	186
\$6,000 under \$7,000	1,887,307	3,074,578	0.1	1,890,023	463,805	0.1	463,883	0.1	15.1	3.8	245
\$7,000 under \$8,000	2,009,654	5,163,646	0.2	2,011,161	789,220	0.2	789,320	0.2	15.3	5.2	392
\$8,000 under \$9,000	1,742,594	6,025,799	0.3	1,744,101	910,696	0.2	910,696	0.2	15.1	6.1	522
\$9,000 under \$10,000	1,822,786	7,143,890	0.3	1,825,802	1,074,401	0.2	1,076,040	0.2	15.1	6.2	589
\$10,000 under \$11,000	2,070,688	9,390,740	0.4	2,072,195	1,407,831	0.3	1,407,831	0.3	15.0	6.5	679
\$11,000 under \$12,000	2,054,866	10,572,743	0.5	2,057,287	1,589,078	0.4	1,589,089	0.4	15.0	6.7	772
\$12,000 under \$13,000	2,201,358	13,462,531	0.6	2,201,358	1,982,589	0.5	1,983,621	0.5	14.7	7.2	901
\$13,000 under \$14,000	2,162,632	14,415,592	0.7	2,164,139	2,063,155	0.5	2,063,337	0.5	14.3	7.1	953
\$14,000 under \$15,000	2,145,725	16,192,554	0.7	2,147,084	2,279,705	0.5	2,279,987	0.5	14.1	7.3	1,061
\$15,000 under \$16,000	2,210,942	18,188,494	0.8	2,210,942	2,559,704	0.6	2,559,907	0.6	14.1	7.5	1,158
\$16,000 under \$17,000	2,274,072	19,729,357	0.9	2,274,072	2,765,301	0.6	2,765,301	0.6	14.0	7.4	1,216
\$17,000 under \$18,000	2,238,695	21,731,550	1.0	2,238,695	3,112,456	0.7	3,121,130	0.7	14.4	8.0	1,394
\$18,000 under \$19,000	2,225,536	22,928,803	1.1	2,225,536	3,344,280	0.8	3,344,338	0.8	14.6	8.1	1,503
\$19,000 under \$20,000	2,109,348	23,404,463	1.1	2,109,348	3,502,902	0.8	3,504,766	0.8	15.0	8.5	1,661
\$20,000 under \$25,000	9,173,777	122,122,458	5.6	9,173,777	18,192,386	4.2	18,193,167	4.2	14.9	8.9	1,983
\$25,000 under \$30,000	7,541,203	131,703,925	6.1	7,541,135	20,714,933	4.8	20,726,836	4.8	15.7	10.0	2,748
\$30,000 under \$40,000	12,046,484	278,017,605	12.8	12,046,275	45,588,526	10.6	45,597,597	10.5	16.4	10.9	3,785
\$40,000 under \$50,000	8,558,577	262,963,947	12.1	8,558,417	44,013,965	10.2	44,034,240	10.2	16.7	11.5	5,144
\$50,000 under \$75,000	9,903,864	424,526,687	19.6	9,903,386	81,195,853	18.8	81,250,313	18.8	19.1	13.7	8,202
\$75,000 under \$100,000	3,053,693	193,038,040	8.9	3,052,872	42,632,646	9.9	42,671,702	9.9	22.1	16.4	13,973
\$100,000 under \$200,000	2,086,443	212,155,734	9.8	2,085,957	54,321,970	12.6	54,471,932	12.6	25.7	19.7	26,092
\$200,000 under \$500,000	611,612	146,369,170	6.8	611,615	41,468,925	9.6	41,631,082	9.6	28.4	23.3	68,027
\$500,000 under \$1,000,000	115,378	66,874,734	3.1	115,343	18,759,023	4.3	18,882,584	4.4	28.2	24.1	163,497
\$1,000,000 or more	57,458	131,367,623	6.1	57,441	36,435,162	8.4	36,609,819	8.5	27.9	24.2	636,582

Footnote(s) at end of table

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percentage of total	Adjusted gross income less deficit			Number of returns	Percentage of total	Adjusted gross income less deficit	
			Amount	Percentage of total ¹	Average (dollars)			Amount	Percentage of total ¹
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Cumulated from Smallest Size of Adjusted Gross Income									
No adjusted gross income	822,952	0.7	- 42,499,835	(²)	- 51,643	5,961	(²)	- 2,971,100	(³)
\$1 under \$1,000	3,042,994	2.7	1,842,104	0.1	605	768,330	0.9	584,981	(²)
\$1 under \$2,000	6,969,267	6.2	7,705,411	0.2	1,106	1,906,062	2.1	2,241,766	0.1
\$1 under \$3,000	10,373,639	9.3	16,206,982	0.5	1,562	2,787,036	3.1	4,443,269	0.1
\$1 under \$4,000	13,675,395	12.2	27,722,276	0.8	2,027	4,055,499	4.5	8,883,163	0.3
\$1 under \$5,000	16,769,495	15.0	41,588,410	1.3	2,480	4,990,882	5.6	13,021,938	0.4
\$1 under \$6,000	19,878,668	17.7	58,615,469	1.8	2,949	6,843,615	7.7	23,226,641	0.7
\$1 under \$7,000	22,849,863	20.4	77,865,311	2.4	3,408	8,733,640	9.8	35,440,378	1.1
\$1 under \$8,000	25,968,574	23.2	101,240,455	3.1	3,899	10,744,822	12.0	50,516,866	1.6
\$1 under \$9,000	28,887,437	25.8	126,054,891	3.8	4,364	12,488,923	14.0	65,336,160	2.1
\$1 under \$10,000	31,776,272	28.3	153,444,985	4.7	4,829	14,315,795	16.1	82,654,043	2.6
\$1 under \$11,000	34,842,424	31.1	185,627,047	5.6	5,328	16,387,990	18.4	104,404,781	3.3
\$1 under \$12,000	37,713,267	33.6	218,656,394	6.6	5,798	18,445,278	20.7	128,067,835	4.1
\$1 under \$13,000	40,688,509	36.3	255,850,396	7.8	6,288	20,646,636	23.2	155,603,075	4.9
\$1 under \$14,000	43,468,895	38.8	293,370,346	8.9	6,749	22,810,828	25.6	184,796,516	5.8
\$1 under \$15,000	46,079,216	41.1	331,178,806	10.0	7,187	24,958,825	28.0	215,924,828	6.8
\$1 under \$16,000	48,571,374	43.3	369,788,058	11.2	7,613	27,169,775	30.5	250,196,671	7.9
\$1 under \$17,000	50,992,959	45.5	409,761,993	12.4	8,036	29,443,847	33.0	287,730,196	9.1
\$1 under \$18,000	53,359,948	47.6	451,168,059	13.7	8,455	31,682,542	35.5	326,887,833	10.3
\$1 under \$19,000	55,672,542	49.6	493,930,346	15.0	8,872	33,908,099	38.0	368,041,506	11.6
\$1 under \$20,000	57,817,507	51.6	535,764,258	16.2	9,266	36,017,583	40.4	409,184,303	12.9
\$1 under \$25,000	67,149,808	59.9	744,725,959	22.6	11,091	45,191,364	50.7	614,657,501	19.4
\$1 under \$30,000	74,764,932	66.7	953,917,514	28.9	12,759	52,733,283	59.1	821,852,938	26.0
\$1 under \$40,000	86,865,300	77.5	1,374,149,441	41.7	15,819	64,779,798	72.6	1,240,245,467	39.2
\$1 under \$50,000	95,455,573	85.1	1,757,838,516	53.3	18,415	73,339,978	82.2	1,622,608,460	51.3
\$1 under \$75,000	105,376,913	94.0	2,352,321,902	71.3	22,323	83,245,894	93.3	2,216,178,401	70.1
\$1 under \$100,000	108,436,300	96.7	2,613,429,038	79.2	24,101	86,299,685	96.8	2,476,823,479	78.3
\$1 under \$200,000	110,526,658	98.6	2,889,760,731	87.6	26,145	88,387,412	99.1	2,752,769,138	87.1
\$1 under \$500,000	111,139,472	99.1	3,068,876,350	93.0	27,613	88,999,392	99.8	2,931,643,672	92.7
\$1 under \$1,000,000	111,255,118	99.2	3,147,392,637	95.4	28,290	89,114,884	99.9	3,010,055,712	95.2
\$1 or more	111,312,721	99.3	3,298,657,991	100.0	29,636	89,172,394	100.0	3,161,264,854	100.0
All returns	112,135,673	100.0	3,256,358,156	98.7	29,039	89,178,355	100.0	3,158,293,754	99.9

Size and accumulated size of adjusted gross income	Taxable returns—Continued									
	Taxable income			Income tax after credits			Total income tax			
	Number of returns	Amount	Percentage of total	Number of returns	Amount	Percentage of total	Amount	Percentage of		
								Total	Taxable income	Average gross income less deficit
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Cumulated from Smallest Size of Adjusted Gross Income										
No adjusted gross income	—	—	—	1,171	35,529	(²)	102,251	(²)	(²)	17,153
\$1 under \$1,000	765,315	158,351	(²)	768,329	26,594	(²)	26,595	(²)	16.8	4.5
\$1 under \$2,000	1,900,181	657,726	(²)	1,906,061	110,231	(²)	110,674	(²)	16.8	4.9
\$1 under \$3,000	2,781,148	1,184,625	0.1	2,787,035	198,475	(²)	202,387	(²)	17.1	4.6
\$1 under \$4,000	4,046,597	2,055,497	0.1	4,055,498	339,160	0.1	343,215	0.1	16.7	3.9
\$1 under \$5,000	4,975,952	3,428,115	0.2	4,990,881	560,265	0.1	564,320	0.1	16.5	4.3
\$1 under \$6,000	6,822,805	5,524,338	0.3	6,843,614	904,963	0.2	909,229	0.2	16.5	3.9
\$1 under \$7,000	8,710,111	8,598,916	0.4	8,733,637	1,368,769	0.3	1,373,111	0.3	16.0	3.9
\$1 under \$8,000	10,719,765	13,762,562	0.6	10,744,798	2,157,988	0.5	2,162,432	0.5	15.7	4.3
\$1 under \$9,000	12,462,359	19,788,361	0.9	12,488,899	3,068,684	0.7	3,073,127	0.7	15.5	4.7
\$1 under \$10,000	14,285,146	26,932,251	1.2	14,314,701	4,143,085	1.0	4,149,167	1.0	15.4	5.0
\$1 under \$11,000	16,355,834	36,322,991	1.7	16,386,896	5,550,916	1.3	5,556,999	1.3	15.3	5.3
\$1 under \$12,000	18,410,700	46,895,733	2.2	18,444,183	7,139,994	1.7	7,146,087	1.7	15.2	5.6
\$1 under \$13,000	20,612,058	60,358,264	2.8	20,645,540	9,122,584	2.1	9,129,708	2.1	15.1	5.9
\$1 under \$14,000	22,774,690	74,773,856	3.5	22,809,679	11,185,738	2.6	11,193,046	2.6	15.0	6.1
\$1 under \$15,000	24,920,415	90,966,410	4.2	24,956,763	13,465,443	3.1	13,473,033	3.1	14.8	6.2
\$1 under \$16,000	27,131,357	109,154,904	5.0	27,167,705	16,025,148	3.7	16,032,940	3.7	14.7	6.4
\$1 under \$17,000	29,405,429	128,884,261	6.0	29,441,777	18,790,449	4.3	18,798,241	4.3	14.6	6.5
\$1 under \$18,000	31,644,125	150,615,811	7.0	31,680,473	21,902,905	5.1	21,919,371	5.1	14.6	6.7
\$1 under \$19,000	33,869,660	173,544,614	8.0	33,906,009	25,247,185	5.8	25,263,709	5.8	14.6	6.9
\$1 under \$20,000	35,979,008	196,949,076	9.1	36,015,356	28,750,087	6.7	28,768,475	6.6	14.6	7.0
\$1 under \$25,000	45,152,785	319,071,535	14.7	45,189,133	46,942,473	10.9	46,961,643	10.8	14.7	7.6
\$1 under \$30,000	52,693,988	450,775,460	20.8	52,730,268	67,657,406	15.7	67,688,479	15.6	15.0	8.2
\$1 under \$40,000	64,740,472	728,793,065	33.6	64,776,543	113,245,932	26.2	113,286,075	26.2	15.5	9.1
\$1 under \$50,000	73,299,048	991,757,012	45.8	73,334,961	157,259,896	36.4	157,320,315	36.3	15.9	9.7
\$1 under \$75,000	83,202,912	1,416,283,699	65.4	83,238,346	238,455,750	55.2	238,570,628	55.1	16.8	10.8
\$1 under \$100,000	86,256,605	1,609,321,739	74.3	86,291,218	281,088,395	65.1	281,242,330	65.0	17.5	11.4
\$1 under \$200,000	88,343,048	1,821,477,473	84.1	88,377,175	335,410,365	77.6	335,714,262	77.5	18.4	12.2
\$1 under \$500,000	88,954,661	1,967,846,643	90.8	88,988,791	376,879,290	87.2	377,345,344	87.2	19.2	12.9
\$1 under \$1,000,000	89,070,039	2,034,721,378	93.9	89,104,134	395,638,314	91.6	396,227,928	91.5	19.5	13.2
\$1 or more	89,127,496	2,166,089,001	100.0	89,161,576	432,073,475	100.0	432,837,747	100.0	20.0	13.7
All returns	89,127,496	2,166,089,001	100.0	89,162,747	432,109,004	100.0	432,939,998	100.0	20.0	13.7

Footnote(s) at end of table

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percentage of total	Adjusted gross income less deficit			Number of returns	Percentage of total	Adjusted gross income less deficit	
			Amount	Percentage of total ¹	Average (dollars)			Amount	Percentage of total ¹
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Cumulated from Largest Size of Adjusted Gross Income									
\$1,000,000 or more	57,603	0 1	151,465,353	4 6	2,629,470	57,510	0 1	151,209,142	4 8
\$500,000 or more	173,249	0 2	229,981,641	7 0	1,327,463	173,002	0 2	229,621,182	7 3
\$200,000 or more	786,063	0 7	409,097,259	12 4	520,438	784,982	0 9	408,495,716	12 9
\$100,000 or more	2,876,421	2 6	685,428,953	20 8	238,292	2,872,709	3 2	684,441,375	21 7
\$75,000 or more	5,935,808	5 3	946,536,089	28 7	159,462	5,926,500	6 6	945,086,453	29 9
\$50,000 or more	15,857,148	14 1	1,541,019,474	46 7	97,181	15,832,416	12 8	1,538,656,394	48 7
\$40,000 or more	24,447,421	21 8	1,924,708,549	58 3	78,728	24,392,596	27 4	1,921,019,387	60 8
\$30,000 or more	36,547,789	32 6	2,344,940,477	71 1	64,161	36,439,111	40 9	2,339,411,916	74 0
\$25,000 or more	44,162,913	39 4	2,554,132,031	77 4	57,834	43,981,030	49 3	2,546,607,353	80 6
\$20,000 or more	53,495,214	47 7	2,763,093,732	83 8	51,651	53,154,812	59 6	2,752,080,551	87 1
\$19,000 or more	55,640,179	49 6	2,804,927,644	85 0	50,412	55,264,295	62 0	2,793,223,348	88 4
\$18,000 or more	57,952,773	51 7	2,847,689,932	86 3	49,138	57,489,852	64 5	2,834,377,021	89 7
\$17,000 or more	60,319,762	53 8	2,889,095,997	87 6	47,896	59,728,547	67 0	2,873,534,658	90 9
\$16,000 or more	62,741,347	56 0	2,929,069,933	88 8	46,685	62,002,619	69 5	2,911,068,183	92 1
\$15,000 or more	65,233,505	58 2	2,967,679,185	90 0	45,493	64,213,569	72 0	2,945,340,026	93 2
\$14,000 or more	67,843,826	60 5	3,005,487,645	91 1	44,300	66,361,566	74 4	2,976,468,338	94 2
\$13,000 or more	70,624,212	63 0	3,043,007,595	92 2	43,087	68,525,758	76 8	3,005,661,779	95 1
\$12,000 or more	73,599,453	65 6	3,080,201,597	93 4	41,851	70,727,116	79 3	3,033,197,019	95 9
\$11,000 or more	76,470,297	68 2	3,113,230,944	94 4	40,712	72,784,404	81 6	3,056,860,073	96 7
\$10,000 or more	79,536,449	70 9	3,145,413,006	95 3	39,547	74,856,599	83 9	3,078,610,811	97 4
\$9,000 or more	82,425,284	73 5	3,172,803,100	96 2	38,493	76,683,471	86 0	3,095,928,694	97 9
\$8,000 or more	85,344,147	76 1	3,197,617,535	96 9	37,467	78,427,572	87 9	3,110,747,988	98 4
\$7,000 or more	88,462,858	78 9	3,220,992,680	97 6	36,411	80,438,754	90 2	3,125,824,476	98 9
\$6,000 or more	91,434,053	81 5	3,240,242,522	98 2	35,438	82,328,780	92 3	3,138,038,213	99 3
\$5,000 or more	94,543,226	84 3	3,257,269,580	98 7	34,453	84,181,512	94 4	3,148,242,916	99 6
\$4,000 or more	97,637,326	87 1	3,271,135,715	99 2	33,503	85,116,895	95 4	3,152,381,691	99 7
\$3,000 or more	100,939,082	90 0	3,282,651,009	99 5	32,521	86,385,358	96 9	3,156,821,585	99 9
\$2,000 or more	104,343,454	93 1	3,291,152,580	99 8	31,542	87,266,332	97 9	3,159,023,088	99 9
\$1,000 or more	108,269,727	96 6	3,297,015,887	99 9	30,452	88,404,064	99 1	3,160,679,873	100 0
\$1 or more	111,312,721	99 3	3,298,857,991	100 0	29,636	89,172,394	100 0	3,161,264,854	100 0
All returns	112,135,673	100.0	3,256,358,156	98.7	29,039	89,178,355	100.0	3,158,293,754	99.9

Size and accumulated size of adjusted gross income	Taxable returns—Continued									
	Taxable income			Income tax after credits			Total income tax			
	Number of returns	Amount	Percentage of total	Number of returns	Amount	Percentage of total	Amount	Percentage of		
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	Total	Taxable income	Average income tax (dollars)
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Cumulated from Largest Size of Adjusted Gross Income										
\$1,000,000 or more	57,458	131,367,623	6 1	57,441	36,435,162	8 4	36,609,819	8 5	27 9	24 2
\$500,000 or more	172,836	198,242,358	9 2	172,785	55,194,185	12 8	55,492,403	12 8	28 0	24 2
\$200,000 or more	784,448	344,611,528	15 9	784,400	96,663,110	22 4	97,123,485	22 4	28 2	23 8
\$100,000 or more	2,870,891	556,767,262	25 7	2,870,358	150,985,080	34 9	151,595,417	35 0	27 2	22 1
\$75,000 or more	5,924,584	749,805,302	34 6	5,923,229	193,617,726	44 8	194,267,119	44 9	25 9	20 6
\$50,000 or more	15,828,448	1,174,331,989	54 2	15,826,615	274,813,579	63 6	275,517,432	63 6	23 5	17 9
\$40,000 or more	24,387,024	1,437,295,936	66 4	24,385,032	318,827,543	73 8	319,551,672	73 8	22 2	16 6
\$30,000 or more	36,433,509	1,715,313,541	79 2	36,431,308	364,416,069	84 3	365,149,268	84 3	21 3	15 6
\$25,000 or more	43,974,711	1,847,017,466	85 3	43,972,443	385,131,003	89 1	385,876,104	89 1	20 9	15 2
\$20,000 or more	53,148,488	1,969,139,925	90 9	53,146,220	403,323,388	93 3	404,069,272	93 3	20 5	14 7
\$19,000 or more	55,257,836	1,992,544,387	92 0	55,255,567	406,826,291	94 1	407,574,038	94 1	20 5	14 6
\$18,000 or more	57,483,372	2,015,473,190	93 0	57,481,103	410,170,570	94 9	410,918,376	94 9	20 4	14 5
\$17,000 or more	59,722,067	2,037,204,740	94 0	59,719,798	413,283,027	95 6	414,039,506	95 6	20 3	14 4
\$16,000 or more	61,996,139	2,056,934,097	95 0	61,993,870	416,048,327	96 3	416,804,807	96 3	20 3	14 3
\$15,000 or more	64,207,081	2,075,122,591	95 8	64,204,813	418,608,032	96 9	419,364,714	96 9	20 2	14 2
\$14,000 or more	66,352,806	2,091,315,145	96 5	66,351,896	420,887,737	97 4	421,644,702	97 4	20 2	14 2
\$13,000 or more	68,515,439	2,105,730,737	97 2	68,516,036	422,950,891	97 9	423,708,039	97 9	20 1	14 1
\$12,000 or more	70,716,796	2,119,193,267	97 8	70,717,393	424,933,481	98 3	425,691,660	98 3	20 1	14 0
\$11,000 or more	72,771,663	2,129,766,010	98 3	72,774,680	426,522,559	98 7	427,280,748	98 7	20 1	14 0
\$10,000 or more	74,842,351	2,139,156,750	98 8	74,846,875	427,930,390	99 0	428,688,580	99 0	20 0	13 9
\$9,000 or more	76,665,137	2,146,300,640	99 1	76,672,677	429,004,791	99 3	429,764,620	99 3	20 0	13 9
\$8,000 or more	78,407,731	2,152,326,439	99 4	78,416,777	429,915,487	99 5	429,675,316	99 5	20 0	13 8
\$7,000 or more	80,417,385	2,157,490,085	99 6	80,427,939	430,704,707	99 7	431,464,636	99 7	20 0	13 8
\$6,000 or more	82,304,692	2,160,564,663	99 7	82,317,962	431,168,512	99 8	431,928,518	99 8	20 0	13 8
\$5,000 or more	84,151,545	2,162,660,886	99 8	84,170,695	431,513,211	99 9	432,273,427	99 8	20 0	13 7
\$4,000 or more	85,080,899	2,164,033,504	99 9	85,106,077	431,734,316	99 9	432,494,532	99 9	20 0	13 7
\$3,000 or more	86,346,348	2,164,904,376	99 9	86,374,541	431,875,000	99 9	432,635,361	99 9	20 0	13 7
\$2,000 or more	87,227,315	2,165,431,275	100 0	87,255,515	431,963,244	100 0	432,727,073	100 0	20 0	13 7
\$1,000 or more	88,362,182	2,165,930,649	100 0	88,393,247	432,046,882	100 0	432,811,152	100 0	20 0	13 7
\$1 or more	89,127,496	2,166,089,001	100 0	89,161,576	432,073,475	100 0	432,837,747	100 0	20 0	13 7
All returns	89,127,496	2,166,089,001	100.0	89,162,747	432,109,004	100.0	432,939,998	100.0	20.0	13.7

¹ Percent based on positive income only² Less than 0.05 percent³ Percent not computed

NOTE: Detail may not add to totals because of rounding

Table 1.2—All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns											
	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax			
	Number of returns	Adjusted gross income less deficit	Exemption amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	112,135,673	3,256,358,156	447,129,806	31,972,317	430,977,999	79,338,895	309,431,034	92,313,789	2,173,345,881	89,162,747	432,109,004	89,178,355
No adjusted gross income	822,952	-42,499,835	3,236,341	—	—	—	—	—	—	1,171	35,529	5,961
\$1 under \$5,000	16,769,495	41,588,414	25,841,291	162,917	1,486,812	16,605,071	44,743,949	5,073,979	3,435,344	4,990,881	560,265	4,990,882
\$5,000 under \$10,000	15,006,777	111,856,574	44,304,137	629,378	5,544,711	14,377,399	54,644,476	9,855,065	24,079,405	9,323,820	3,582,821	9,324,913
\$10,000 under \$15,000	14,302,945	177,733,821	50,907,910	1,068,327	8,915,497	13,234,618	53,682,556	12,693,453	68,611,583	10,642,063	9,322,358	10,643,030
\$15,000 under \$20,000	11,738,291	204,585,452	44,573,921	1,507,281	12,176,552	10,231,010	42,108,901	11,453,173	107,022,965	11,058,593	15,284,643	11,058,757
\$20,000 under \$25,000	9,332,301	208,961,701	39,450,084	1,968,007	16,118,559	7,364,294	31,552,232	9,215,631	122,363,183	9,173,777	18,192,386	9,173,782
\$25,000 under \$30,000	7,615,124	209,191,528	34,563,796	2,321,050	19,669,661	5,294,074	23,435,320	7,560,711	131,904,440	7,541,135	20,714,933	7,541,919
\$30,000 under \$40,000	12,100,369	420,231,928	61,732,973	5,364,124	49,201,323	6,736,245	31,389,259	12,062,779	278,920,160	12,046,275	45,588,526	12,046,515
\$40,000 under \$50,000	8,590,272	383,669,075	48,483,166	5,424,444	56,658,247	3,165,828	15,828,653	8,566,122	263,107,112	8,558,417	44,013,965	8,560,180
\$50,000 under \$75,000	9,921,341	594,483,366	59,066,080	7,978,928	101,063,378	1,942,413	10,011,319	9,906,175	424,581,970	9,903,386	81,195,853	9,905,916
\$75,000 under \$100,000	3,059,386	261,107,136	17,966,464	2,802,965	48,788,332	256,421	1,353,450	3,055,245	193,047,596	3,052,872	42,632,646	3,053,791
\$100,000 under \$200,000	2,090,358	276,331,693	12,373,173	1,975,980	51,329,803	114,377	593,960	2,066,857	212,184,703	2,085,957	54,321,970	2,087,727
\$200,000 under \$500,000	612,814	179,115,618	3,656,078	598,105	29,131,280	14,709	74,976	611,729	146,390,252	611,615	41,468,925	611,980
\$500,000 under \$1,000,000	115,646	78,516,288	660,377	113,790	11,031,212	1,856	9,271	115,395	66,881,786	115,343	18,759,023	115,492
\$1,000,000 or more	57,603	151,465,353	314,014	57,021	19,862,631	581	2,714	57,475	131,414,782	57,441	36,435,162	57,510
Taxable returns, total	89,178,355	3,158,293,754	358,432,596	30,427,264	406,692,432	58,743,623	230,525,280	89,127,496	2,166,089,001	89,162,747	432,109,004	89,178,355
No adjusted gross income	5,961	-2,971,100	24,303	—	—	—	—	—	—	1,171	35,529	5,961
\$1 under \$5,000	4,990,882	13,021,938	97,590	13,275	40,176	4,976,100	9,547,800	4,975,952	3,428,115	4,990,881	560,265	4,990,882
\$5,000 under \$10,000	9,324,913	69,632,105	16,130,083	210,662	932,534	9,114,252	29,110,743	9,309,194	23,504,135	9,323,820	3,582,821	9,324,913
\$10,000 under \$15,000	10,643,030	133,270,785	27,563,156	632,279	3,780,473	10,010,751	37,920,799	10,635,270	64,034,160	10,642,063	9,322,358	10,643,030
\$15,000 under \$20,000	11,058,757	193,259,475	38,920,424	1,254,433	8,409,615	9,804,324	39,961,936	11,058,593	105,982,666	11,058,593	15,284,643	11,058,757
\$20,000 under \$25,000	9,173,782	205,473,198	38,134,984	1,839,166	13,816,274	7,334,616	31,400,084	9,173,777	122,122,458	9,173,777	18,192,386	9,173,782
\$25,000 under \$30,000	7,541,919	207,195,437	33,996,545	2,256,594	18,110,351	5,285,324	23,390,888	7,541,203	20,714,933	7,541,135	20,714,933	7,541,919
\$30,000 under \$40,000	12,046,515	418,392,529	61,353,847	5,323,256	47,699,143	6,723,259	31,324,835	12,046,484	276,017,605	12,046,275	45,588,526	12,046,515
\$40,000 under \$50,000	8,560,180	382,362,994	48,304,127	5,395,357	55,295,640	3,164,824	15,823,431	8,558,577	262,963,947	8,558,417	44,013,965	8,560,180
\$50,000 under \$75,000	9,905,916	593,569,941	59,000,450	7,963,571	100,095,906	1,942,344	10,010,963	9,903,864	424,526,687	9,903,386	81,195,853	9,905,916
\$75,000 under \$100,000	3,053,791	260,645,078	17,928,638	2,797,370	48,340,915	256,421	1,353,450	3,053,693	193,038,040	3,052,872	42,632,646	3,053,791
\$100,000 under \$200,000	2,087,727	275,945,659	12,354,563	1,973,422	50,883,664	114,305	593,584	2,086,443	212,155,734	2,085,957	54,321,970	2,087,727
\$200,000 under \$500,000	611,980	178,874,534	3,651,266	597,303	28,812,336	14,677	74,837	611,612	146,369,170	611,615	41,468,925	611,980
\$500,000 under \$1,000,000	115,492	78,412,040	659,320	113,639	10,895,154	1,853	9,257	115,378	66,874,734	115,343	18,759,023	115,492
\$1,000,000 or more	57,510	151,209,142	313,500	56,937	19,860,250	572	2,674	57,458	131,367,623	57,441	36,435,162	57,510
Nontaxable returns, total	22,957,318	98,064,402	88,696,810	1,545,054	24,285,567	20,595,273	78,905,755	3,186,293	7,256,880	—	—	—

Footnote(s) at end of table

Table 1.2—All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status
—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Joint returns of husbands and wives												
	Number of returns (14)	Adjusted gross income less deficit (15)	Exemption amount (16)	Total itemized deductions (17)		Standard deduction (19)		Taxable income (21)		Income tax after credits (23)		Total income tax (25)	
				Number of returns	Amount (18)	Number of returns	Amount (20)	Number of returns	Amount (22)	Number of returns	Amount (24)	Number of returns	Amount (26)
All returns, total	48,076,037	2,212,411,059	300,244,494	22,492,686	333,321,161	25,196,553	136,434,326	42,435,569	1,500,295,922	41,475,184	305,916,719	41,484,854	306,529,699
No adjusted gross income	386,797	-30,109,621	2,295,188	—	—	—	—	—	—	251	10,530	3,553	63,194
\$1 under \$5,000	1,150,517	3,360,849	6,729,055	62,268	629,344	1,088,249	5,918,303	*3,322	*106	*10,865	*9,141	*10,866	*12,499
\$5,000 under \$10,000	2,649,846	20,753,899	15,240,268	150,636	1,611,667	2,499,210	13,778,040	135,745	48,527	144,601	24,189	145,694	26,006
\$10,000 under \$15,000	3,915,064	49,072,613	22,229,115	380,128	3,510,948	3,534,336	19,674,662	2,738,721	6,610,811	2,119,299	857,627	2,119,353	858,852
\$15,000 under \$20,000	3,915,683	68,536,293	23,193,939	615,101	5,888,021	3,300,582	18,041,686	3,691,207	22,309,360	3,409,488	3,056,144	3,409,652	3,066,943
\$20,000 under \$25,000	3,914,346	88,085,184	24,301,813	833,385	7,809,593	3,080,961	16,640,936	3,831,159	39,687,510	3,797,605	5,860,615	3,797,609	5,861,251
\$25,000 under \$30,000	3,892,312	107,245,997	24,349,869	1,146,247	10,882,508	2,746,066	14,671,817	3,848,032	57,542,020	3,829,711	8,464,309	3,830,425	8,466,488
\$30,000 under \$40,000	7,634,374	266,902,423	49,471,678	3,278,636	31,532,033	4,555,738	23,044,713	7,604,083	163,193,630	7,589,286	24,059,584	7,589,457	24,062,833
\$40,000 under \$50,000	6,723,348	301,170,395	43,558,917	4,168,119	44,025,388	2,555,229	13,671,167	6,705,553	200,243,230	6,700,576	31,115,970	6,701,307	31,124,549
\$50,000 under \$75,000	8,692,299	522,056,819	55,821,026	6,991,428	88,380,385	1,700,871	9,150,467	8,682,764	368,844,282	8,681,540	68,434,471	8,682,721	68,471,820
\$75,000 under \$100,000	2,711,319	231,196,440	17,045,394	2,481,735	43,458,953	229,584	1,255,289	2,708,408	169,479,913	2,706,308	36,583,084	2,706,927	36,616,604
\$100,000 under \$200,000	1,817,091	239,943,971	11,678,441	1,725,266	45,155,741	91,826	513,959	1,814,667	182,732,569	1,813,905	46,126,223	1,815,100	46,219,158
\$200,000 under \$500,000	527,621	153,916,103	3,427,046	516,002	25,094,990	11,618	63,796	526,780	125,443,128	526,697	35,570,808	526,961	35,702,204
\$500,000 under \$1,000,000	97,345	66,172,369	612,943	96,013	9,310,710	1,332	7,557	97,148	56,294,305	97,099	15,783,281	97,222	15,882,114
\$1,000,000 or more	48,076	124,107,326	289,805	47,724	16,030,880	352	1,936	47,980	107,866,532	47,955	29,960,743	48,007	30,095,183
Taxable returns, total	41,484,854	2,178,430,655	256,232,942	21,636,238	319,444,359	19,845,063	107,440,337	41,448,122	1,497,978,608	41,475,184	305,916,719	41,484,854	306,529,699
No adjusted gross income	3,553	-2,350,987	18,884	—	—	—	—	—	—	251	10,530	3,553	63,194
\$1 under \$5,000	*10,866	*37,179	*33,224	*9	*1,842	*10,857	*56,528	*3,322	*106	*10,865	*9,141	*10,866	*12,499
\$5,000 under \$10,000	145,694	1,361,105	581,849	*4,616	*32,721	141,078	743,796	131,482	47,975	144,601	24,189	145,694	26,006
\$10,000 under \$15,000	2,119,353	26,884,973	8,759,943	130,012	928,984	1,989,341	11,500,843	2,112,506	5,711,158	2,119,299	857,627	2,119,353	858,852
\$15,000 under \$20,000	3,409,652	60,110,994	18,577,737	431,184	3,402,350	2,978,468	16,367,682	3,409,488	21,778,391	3,409,488	3,056,144	3,409,652	3,066,943
\$20,000 under \$25,000	3,797,609	85,511,627	23,138,629	744,818	6,390,841	3,052,790	16,495,644	3,797,605	39,487,083	3,797,605	5,860,615	3,797,609	5,861,251
\$25,000 under \$30,000	3,830,425	105,549,219	23,821,927	1,091,923	9,743,750	2,738,502	14,631,060	3,829,710	57,358,748	3,829,711	8,464,309	3,830,425	8,466,488
\$30,000 under \$40,000	7,589,457	265,375,511	49,119,791	3,245,067	30,334,061	4,344,390	22,986,722	7,589,426	162,937,838	7,589,286	24,059,584	7,589,457	24,062,833
\$40,000 under \$50,000	6,701,307	300,191,267	43,416,878	4,147,082	43,015,990	2,554,225	13,665,945	6,699,732	200,111,482	6,700,576	31,115,970	6,701,307	31,124,549
\$50,000 under \$75,000	8,682,721	521,491,284	55,769,372	6,981,919	87,755,188	1,700,803	9,150,111	8,681,951	368,823,601	8,681,540	68,434,471	8,682,721	68,471,820
\$75,000 under \$100,000	2,706,927	230,825,990	17,009,984	2,477,343	43,104,991	229,584	1,255,289	2,706,855	169,470,357	2,706,308	36,583,084	2,706,927	36,616,604
\$100,000 under \$200,000	1,815,100	239,669,199	11,661,111	1,723,347	44,823,613	91,753	513,584	1,814,254	182,703,600	1,813,905	46,126,223	1,815,100	46,219,158
\$200,000 under \$500,000	526,961	153,724,346	3,422,687	515,364	24,837,514	*12,926	*71,226	526,690	125,427,751	526,697	35,570,808	526,961	35,702,204
\$500,000 under \$1,000,000	97,222	66,089,658	612,166	95,892	9,201,041	1,332	7,557	97,134	56,289,203	97,099	15,783,281	97,222	15,882,114
\$1,000,000 or more	48,007	123,959,291	289,361	47,661	15,871,473	346	1,907	47,969	107,831,315	47,955	29,960,743	48,007	30,095,183
Nontaxable returns, total	6,591,183	33,980,403	44,011,552	856,448	13,876,801	5,351,491	28,993,989	987,447	2,317,314	—	—	—	—

Footnote(s) at end of table

Table 1.2—All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status
—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Returns of married people filing separately, heads of households, and surviving spouses													
Size of adjusted gross income	Number of returns (27)	Adjusted gross income less deficit (28)	Exemption amount (29)	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns (30)	Amount (31)	Number of returns (32)	Amount (33)	Number of returns (34)	Amount (35)	Number of returns (36)	Amount (37)	Number of returns (38)	Amount (39)
All returns, total	14,100,174	264,271,702	64,646,187	2,544,291	25,817,646	11,472,852	49,457,081	10,074,172	144,116,388	8,070,195	24,600,639	8,071,819	24,661,404
No adjusted gross income	81,523	-3,320,249	279,604	—	—	—	—	—	—	*6	*1	215	7,178
\$1 under \$5,000	1,739,691	4,902,258	7,831,901	18,791	135,235	1,719,393	7,275,319	34,988	22,813	33,630	3,790	33,630	3,790
\$5,000 under \$10,000	2,677,375	20,180,353	12,330,814	52,245	304,576	2,625,130	11,402,561	802,381	1,160,955	348,337	103,369	348,337	103,369
\$10,000 under \$15,000	2,823,462	35,022,120	13,523,939	164,375	1,115,914	2,659,087	11,499,460	2,498,851	9,462,543	1,074,290	605,726	1,074,290	605,726
\$15,000 under \$20,000	2,128,654	36,986,892	9,685,574	244,659	1,676,951	1,883,995	8,032,662	2,105,628	17,687,163	1,995,061	2,181,486	1,995,061	2,181,486
\$20,000 under \$25,000	1,548,110	34,511,947	7,145,805	371,246	2,769,996	1,176,863	5,095,691	1,537,560	19,537,698	1,529,260	2,782,290	1,529,260	2,782,290
\$25,000 under \$30,000	975,541	26,723,814	4,525,808	377,372	2,905,240	598,169	2,597,598	972,514	16,706,749	972,514	2,526,344	972,514	2,526,344
\$30,000 under \$40,000	1,210,981	41,701,289	5,417,684	593,458	5,164,126	617,523	2,697,953	1,208,273	28,435,708	1,207,269	4,553,551	1,207,337	4,553,552
\$40,000 under \$50,000	468,474	20,619,951	2,001,800	328,904	3,499,191	139,570	619,823	467,713	14,506,219	464,985	2,666,298	466,017	2,667,969
\$50,000 under \$75,000	286,375	16,873,164	1,215,427	240,963	3,210,688	45,412	204,573	286,349	12,245,112	285,151	2,594,823	285,234	2,602,508
\$75,000 under \$100,000	81,793	7,040,243	355,038	77,431	1,203,930	*4,362	*17,004	81,793	5,464,271	81,725	1,340,555	81,793	1,341,577
\$100,000 under \$200,000	50,946	6,709,849	221,258	48,286	1,285,589	2,659	11,816	50,942	5,191,617	50,805	1,399,926	50,946	1,415,878
\$200,000 under \$500,000	20,614	6,122,205	86,560	20,048	989,505	567	2,134	20,572	5,049,635	20,560	1,440,066	20,571	1,445,758
\$500,000 under \$1,000,000	4,334	2,825,150	16,220	4,265	414,038	69	276	4,322	2,397,362	4,320	697,963	4,323	706,444
\$1,000,000 or more	2,301	7,372,715	8,755	2,248	1,142,669	52	210	2,286	6,248,543	2,281	1,704,451	2,288	1,717,535
Taxable returns, total	8,071,819	221,056,808	34,487,696	2,349,701	23,629,820	5,720,395	23,854,040	8,071,537	139,414,885	8,070,195	24,600,639	8,071,819	24,661,404
No adjusted gross income	215	-314,300	989	—	—	—	—	—	—	*6	*1	215	7,178
\$1 under \$5,000	33,630	111,107	29,812	*4,521	*1,659	27,602	56,824	33,630	22,812	33,630	3,790	33,630	3,790
\$5,000 under \$10,000	348,337	2,684,557	899,773	17,936	58,734	330,401	1,028,541	348,337	697,509	348,337	103,369	348,337	103,369
\$10,000 under \$15,000	1,074,290	14,146,620	3,988,298	75,052	363,099	999,238	3,969,432	1,074,290	5,825,791	1,074,290	605,726	1,074,290	605,726
\$15,000 under \$20,000	1,995,061	34,784,426	8,740,405	214,702	1,280,029	1,780,359	7,563,304	1,995,061	17,200,688	1,995,061	2,181,486	1,995,061	2,181,486
\$20,000 under \$25,000	1,529,260	34,102,242	7,042,768	353,904	2,473,239	1,175,356	5,088,834	1,529,260	19,497,401	1,529,260	2,782,290	1,529,260	2,782,290
\$25,000 under \$30,000	972,514	26,644,278	4,510,193	374,345	2,829,737	598,169	2,597,598	972,514	16,706,749	972,514	2,526,344	972,514	2,526,344
\$30,000 under \$40,000	1,207,337	41,568,325	5,401,032	590,750	5,063,267	616,587	2,693,695	1,207,337	28,410,331	1,207,269	4,553,551	1,207,337	4,553,552
\$40,000 under \$50,000	466,017	20,517,865	1,975,989	326,448	3,432,974	139,570	619,823	465,989	14,494,202	464,985	2,666,298	466,017	2,667,969
\$50,000 under \$75,000	285,234	16,807,091	1,210,866	239,822	3,171,138	45,412	204,573	285,219	12,221,585	285,151	2,594,823	285,234	2,602,508
\$75,000 under \$100,000	81,793	7,040,243	355,038	77,431	1,203,930	*4,362	*17,004	81,793	5,464,271	81,725	1,340,555	81,793	1,341,577
\$100,000 under \$200,000	50,946	6,709,849	221,258	48,286	1,285,589	2,659	11,816	50,942	5,191,617	50,805	1,399,926	50,946	1,415,878
\$200,000 under \$500,000	20,571	6,109,565	86,385	20,011	975,760	561	2,120	**24,881	**7,442,465	20,560	1,440,066	20,571	1,445,758
\$500,000 under \$1,000,000	4,323	2,817,486	16,180	4,255	405,705	**118	**4,477	**24,881	**7,442,465	4,320	697,963	4,323	706,444
\$1,000,000 or more	2,288	7,327,456	8,710	2,237	1,084,961	**	**	2,282	6,239,463	2,281	1,704,451	2,288	1,717,535
Nontaxable returns, total	6,028,355	43,214,893	30,158,491	194,589	2,187,826	5,752,457	25,603,041	2,002,635	4,701,503	—	—	—	—

Footnote(s) at end of table

Table 1.2—All Returns: Adjusted Gross Income, Exemptions, Deductions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status
—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of single persons												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
49,959,463	779,675,396	82,239,126	6,935,341	71,839,193	42,669,491	123,539,627	39,804,048	528,933,571	39,617,368	101,591,646	39,621,683	101,748,895	
No adjusted gross income	354,632	- 9,069,964	661,550	—	—	—	—	—	—	*914	*24,998	2,193	31,879
\$1 under \$5,000	13,879,288	33,325,303	11,280,336	81,859	722,233	13,797,429	31,550,326	5,035,669	3,412,425	4,946,386	547,333	4,946,386	548,031
\$5,000 under \$10,000	9,679,556	70,922,323	16,733,056	426,497	3,628,469	9,253,059	29,483,875	8,916,940	22,869,924	8,830,882	3,455,262	8,830,882	3,455,471
\$10,000 under \$15,000	7,564,419	93,639,089	15,154,856	523,824	4,288,635	7,040,595	22,508,435	7,455,881	52,538,229	7,448,474	7,859,005	7,448,387	7,859,288
\$15,000 under \$20,000	5,693,954	99,062,267	11,694,408	647,521	4,611,580	5,046,433	16,034,552	5,656,338	67,026,442	5,654,044	10,047,013	5,654,044	10,047,013
\$20,000 under \$25,000	3,869,845	86,364,570	8,002,465	763,375	5,538,970	3,106,470	9,815,605	3,846,912	63,137,974	3,846,912	9,549,481	3,846,913	9,549,627
\$25,000 under \$30,000	2,747,271	75,221,743	5,688,119	797,431	5,881,913	1,949,839	6,165,905	2,740,164	57,655,672	2,738,910	9,724,280	2,738,980	9,734,004
\$30,000 under \$40,000	3,255,015	111,628,216	6,843,612	1,492,031	12,505,164	1,762,984	5,646,593	3,250,423	86,690,822	3,249,721	16,975,390	3,249,721	16,981,212
\$40,000 under \$50,000	1,398,451	61,898,729	2,922,449	927,422	9,133,668	471,029	1,537,664	1,392,856	48,358,263	1,392,856	10,231,696	1,392,856	10,241,722
\$50,000 under \$75,000	942,667	55,553,402	2,029,627	746,538	9,472,306	196,129	656,279	937,063	43,492,577	936,694	10,166,560	937,960	10,175,985
\$75,000 under \$100,000	266,274	22,870,453	566,033	243,799	4,125,449	22,475	81,156	265,045	18,103,412	264,839	4,709,007	265,070	4,713,521
\$100,000 under \$200,000	222,321	29,677,874	473,474	202,428	4,888,473	19,893	68,184	221,247	24,260,517	221,247	6,795,821	221,681	6,836,896
\$200,000 under \$500,000	64,579	19,077,310	142,472	62,055	3,046,786	2,524	9,046	64,378	15,897,489	64,359	4,458,052	64,448	4,483,120
\$500,000 under \$1,000,000	13,967	9,518,769	31,214	13,512	1,306,464	455	1,438	13,925	8,190,119	13,924	2,277,779	13,947	2,294,026
\$1,000,000 or more	7,226	19,985,313	15,454	7,049	2,689,083	178	568	7,208	17,299,707	7,205	4,769,968	7,215	4,797,102
Taxable returns, total	39,621,683	758,806,290	67,712,359	6,441,325	63,618,252	33,178,165	99,230,903	39,607,837	528,695,508	39,617,368	101,591,646	39,621,683	101,748,895
No adjusted gross income	2,193	- 305,813	4,430	—	—	—	—	—	—	*914	*24,998	2,193	31,879
\$1 under \$5,000	4,946,386	12,873,652	34,555	*8,745	*36,675	4,937,641	9,434,448	4,939,000	3,405,197	4,946,386	547,333	4,946,386	548,031
\$5,000 under \$10,000	8,830,882	65,586,443	14,648,461	188,110	841,079	8,642,772	27,338,406	8,829,375	22,758,652	8,830,882	3,455,262	8,830,882	3,455,471
\$10,000 under \$15,000	7,449,387	92,239,191	14,815,515	427,215	2,488,390	7,022,172	22,450,524	7,448,474	52,497,211	7,448,474	7,859,005	7,449,387	7,859,288
\$15,000 under \$20,000	5,654,044	98,364,055	11,602,282	608,547	3,727,236	5,045,497	16,030,950	5,654,044	67,003,587	5,654,044	10,047,013	5,654,044	10,047,013
\$20,000 under \$25,000	3,846,913	85,859,329	7,953,587	740,443	4,952,193	3,106,470	9,815,605	3,846,912	63,137,974	3,846,912	9,549,481	3,846,913	9,549,627
\$25,000 under \$30,000	2,738,980	75,001,941	5,684,425	790,326	5,536,864	1,948,616	6,162,230	2,738,979	57,638,428	2,738,910	9,724,280	2,738,980	9,734,004
\$30,000 under \$40,000	3,249,721	111,448,993	6,833,024	1,487,439	12,301,815	1,762,282	5,644,418	3,249,721	86,669,436	3,249,721	16,975,390	3,249,721	16,981,212
\$40,000 under \$50,000	1,392,856	61,653,862	2,911,259	921,827	8,846,676	471,029	1,537,664	1,392,856	48,358,263	1,392,856	10,231,696	1,392,856	10,241,722
\$50,000 under \$75,000	937,960	55,271,566	2,020,212	741,830	9,169,580	196,129	656,279	936,693	43,481,501	936,694	10,166,560	937,960	10,175,985
\$75,000 under \$100,000	265,070	22,778,845	563,616	242,596	4,031,994	22,475	81,156	265,045	18,103,412	264,839	4,709,007	265,070	4,713,521
\$100,000 under \$200,000	221,681	29,566,611	472,194	201,788	4,774,462	19,893	68,184	221,247	24,260,517	221,247	6,795,821	221,681	6,836,896
\$200,000 under \$500,000	64,448	19,040,623	142,195	61,928	2,999,063	**3,152	**11,038	64,362	15,895,180	64,359	4,458,052	64,448	4,483,120
\$500,000 under \$1,000,000	13,947	9,504,896	31,174	13,492	1,288,408	**	**	**21,130	**25,486,150	13,924	2,277,779	13,947	2,294,026
\$1,000,000 or more	7,215	19,922,395	15,430	7,039	2,623,816	**	**	**	**	7,205	4,769,968	7,215	4,797,102
Nontaxable returns, total	10,337,780	20,869,105	14,526,767	494,016	8,220,940	9,491,325	24,308,724	196,211	238,063	—	—	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers.

NOTE: Detail may not add to totals because of rounding.

(All figures are estimates based on samples—money amounts are in thousands of dollars)

* Estimate should be used with caution because of the small number of sample returns on which it is based
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals
NOTE: Detail may not add to totals because of rounding

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Taxable interest		Tax-exempt interest		Dividends		State income tax refunds	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
All returns, total	112,135,673	3,256,358,156	95,487,922	2,449,530,553	69,881,648	220,015,823	37,589,693	23,079,592	81,309,036	16,589,028	9,233,859	
No adjusted gross income	822,952	-42,499,835	300,919	5,879,160	534,861	4,486,760	30,563	695,850	208,863	756,186	129,297	
\$1 under \$5,000	16,769,495	41,588,410	13,750,614	35,044,742	6,431,109	4,027,938	82,717	231,876	1,342,155	1,070,651	121,303	
\$5,000 under \$10,000	15,006,777	111,856,574	11,871,201	81,811,449	6,516,303	11,488,625	124,942	518,217	1,607,542	2,183,254	264,332	
\$10,000 under \$15,000	14,302,945	177,733,821	11,485,347	131,119,459	6,979,368	16,607,399	181,500	710,404	1,672,697	3,140,994	470,710	
\$15,000 under \$20,000	11,738,291	204,585,452	9,950,317	159,397,390	6,513,196	15,172,781	189,203	537,085	1,675,584	3,217,291	700,786	
\$20,000 under \$25,000	9,332,301	208,961,701	8,111,108	167,897,699	5,823,124	13,709,420	187,471	895,783	1,529,217	3,219,684	983,777	
\$25,000 under \$30,000	7,615,124	209,191,554	6,845,208	172,746,654	5,359,187	11,450,518	185,083	1,157,502	1,572,346	2,856,879	1,289,369	
\$30,000 under \$40,000	12,100,369	420,231,928	11,013,847	350,659,623	9,416,324	20,549,298	424,513	2,764,798	2,911,648	5,801,063	2,988,326	
\$40,000 under \$50,000	8,590,272	383,689,075	7,854,553	316,833,353	7,373,970	18,630,571	436,769	2,662,035	3,007,923	5,306,668	3,126,606	
\$50,000 under \$75,000	9,921,341	594,483,386	9,153,751	489,422,944	9,183,951	28,282,887	683,865	4,676,656	4,120,383	11,042,846	4,120,453	
\$75,000 under \$100,000	3,059,386	261,107,136	2,738,138	196,112,637	2,936,763	16,104,602	431,306	3,811,559	1,724,579	7,403,970	1,293,833	
\$100,000 under \$200,000	2,090,358	276,331,693	1,773,035	176,346,471	2,032,453	20,097,831	466,185	5,950,522	1,415,081	10,253,801	921,583	
\$200,000 under \$500,000	612,814	179,115,618	498,535	94,765,714	608,225	14,919,365	216,762	5,601,107	485,946	9,456,197	258,679	
\$500,000 under \$1,000,000	115,646	78,516,288	93,916	34,437,521	115,315	7,844,201	55,662	2,880,864	99,207	4,590,425	56,209	
\$1,000,000 or more	57,603	151,465,353	47,434	37,055,737	57,500	16,643,627	33,751	4,590,103	52,310	11,009,128	31,252	
Taxable returns, total	89,178,355	3,158,293,754	77,019,620	2,337,829,895	62,633,521	204,275,883	3,528,392	35,783,095	21,241,247	77,814,737	15,853,151	
No adjusted gross income	5,961	-2,971,100	3,418	253,726	5,951	657,670	1,552	129,796	3,575	118,119	1,450	
\$1 under \$5,000	4,990,882	13,021,938	3,820,445	10,145,273	3,793,817	1,824,441	31,956	33,690	831,907	513,094	16,429	
\$5,000 under \$10,000	9,324,913	69,632,105	7,663,003	52,728,906	4,287,569	6,995,944	60,298	260,564	956,300	1,349,165	100,720	
\$10,000 under \$15,000	10,643,030	133,270,785	8,248,376	94,336,816	5,752,973	14,654,744	151,424	549,141	1,414,079	2,708,143	290,448	
\$15,000 under \$20,000	11,058,757	193,259,475	9,383,181	150,634,769	6,160,111	14,426,859	179,166	455,818	1,581,183	2,994,016	607,649	
\$20,000 under \$25,000	9,173,782	205,473,198	8,002,527	165,387,763	5,704,777	13,187,949	180,976	810,245	1,491,478	3,032,784	931,263	
\$25,000 under \$30,000	7,541,919	207,195,437	6,789,540	171,325,458	5,302,173	11,101,647	183,335	1,150,801	1,545,478	2,793,958	1,266,389	
\$30,000 under \$40,000	12,046,515	418,392,529	10,982,524	349,694,343	9,369,534	20,118,070	420,900	2,589,973	2,888,993	5,662,084	2,968,554	
\$40,000 under \$50,000	8,560,180	382,362,994	7,834,772	316,072,231	7,346,309	18,416,554	434,967	2,562,618	2,647,159	5,232,212	2,996,145	
\$50,000 under \$75,000	9,905,916	593,569,941	9,145,503	488,933,952	9,168,615	28,013,211	680,875	4,462,481	4,110,038	10,934,858	4,118,200	
\$75,000 under \$100,000	3,053,791	260,645,078	2,735,081	195,908,902	2,931,167	15,963,960	431,004	3,804,821	1,720,689	7,357,696	1,289,786	
\$100,000 under \$200,000	2,087,727	275,945,659	1,772,061	176,258,366	2,030,529	19,927,907	466,053	5,945,890	1,413,749	10,155,178	920,388	
\$200,000 under \$500,000	611,980	178,874,534	498,002	94,694,952	607,420	14,768,652	218,540	5,577,387	485,309	9,418,638	258,363	
\$500,000 under \$1,000,000	115,492	78,412,040	93,821	34,419,873	115,164	7,775,049	55,621	2,867,168	99,075	4,573,547	56,151	
\$1,000,000 or more	57,510	151,209,142	47,368	37,034,566	57,412	16,443,227	33,725	4,582,701	52,237	10,971,045	31,217	
Nontaxable returns, total	22,957,318	98,064,402	18,468,303	111,700,657	7,248,127	15,739,939	201,900	1,806,598	1,838,345	3,494,299	735,877	

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Alimony received		Business or profession				Capital gain distributions reported on Form 1040		Sales of capital assets reported on Schedule D			
	Number of returns	Amount	Net income		Net loss		Number of returns	Amount	Net gain in AGI		Net loss in AGI	
			Number of returns	Amount	Number of returns	Amount			Number of returns	Amount	Number of returns	Amount
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	
All returns, total	462,025	3,598,148	11,017,545	152,416,377	3,143,151	19,678,697	2,211,919	1,624,693	8,510,593	151,889,032	4,337,150	7,882,795
No adjusted gross income	1,854	12,608	102,418	1,241,800	346,461	6,576,556	11,073	5,018	130,354	6,905,458	126,306	293,296
\$1 under \$5,000	1,854	59,694	925,446	2,166,909	146,082	594,346	216,532	79,516	335,355	590,661	190,727	264,997
\$5,000 under \$10,000	60,600	243,960	1,203,896	6,268,701	202,478	856,180	145,803	94,571	476,239	1,100,006	297,228	546,390
\$10,000 under \$15,000	61,046	285,292	1,108,887	7,634,066	238,463	847,845	142,021	83,105	491,201	1,357,390	335,556	679,487
\$15,000 under \$20,000	71,299	385,006	1,039,431	8,374,878	251,327	881,419	175,130	135,905	577,621	2,037,424	268,292	470,997
\$20,000 under \$25,000	67,433	419,542	900,488	7,891,241	220,266	901,248	158,461	131,700	531,669	2,200,390	282,464	495,512
\$25,000 under \$30,000	44,159	400,043	732,814	7,329,814	221,810	938,209	191,626	150,618	485,159	1,950,686	260,197	455,522
\$30,000 under \$40,000	58,919	490,947	1,351,691	13,895,066	424,964	1,535,950	304,770	198,094	969,124	4,444,324	528,634	959,553
\$40,000 under \$50,000	34,785	582,123	1,056,138	12,944,244	327,521	1,061,218	261,344	201,351	954,265	5,311,567	436,291	752,210
\$50,000 under \$75,000	23,288	304,476	1,356,764	23,379,093	449,966	1,903,738	369,827	233,563	1,506,088	11,636,815	771,019	1,269,824
\$75,000 under \$100,000	11,559	218,470	515,639	14,875,816	145,372	869,989	133,028	128,056	791,289	9,598,686	372,259	703,035
\$100,000 under \$200,000	3,346	65,485	480,443	24,816,750	110,516	988,618	80,597	154,857	607,695	19,380,404	320,530	651,287
\$200,000 under \$500,000	2,950	118,801	142,564	13,395,994	43,196	657,205	19,171	24,630	334,958	22,879,678	116,071	260,876
\$500,000 under \$1,000,000	255	6,329	24,007	3,971,853	9,395	352,916	2,037	2,156	75,783	14,069,164	22,282	55,170
\$1,000,000 or more	175	5,373	12,110	4,230,154	5,334	703,249	498	1,555	43,593	48,426,377	9,293	24,640
Taxable returns, total	392,072	3,341,233	8,697,096	139,649,639	2,370,115	10,744,230	2,062,686	1,556,820	7,812,355	142,958,250	3,787,848	6,773,497
No adjusted gross income	3	361	1,579	78,496	2,158	133,127	*8	*3	4,008	1,605,688	1,625	4,805
\$1 under \$5,000	*1,358	*6,105	59,327	92,123	*9,509	*27,575	167,863	56,660	175,999	143,155	54,893	35,807
\$5,000 under \$10,000	36,933	180,308	511,454	2,616,882	80,584	309,654	91,490	70,323	281,793	523,897	154,241	272,331
\$10,000 under \$15,000	41,752	223,963	674,454	4,518,291	134,158	441,145	124,704	78,051	405,295	1,021,333	256,257	511,802
\$15,000 under \$20,000	67,371	365,298	885,775	6,966,165	216,770	587,450	165,151	131,555	515,912	1,602,369	248,826	427,192
\$20,000 under \$25,000	65,926	417,733	867,237	7,427,517	209,913	761,715	155,447	126,153	508,145	1,937,598	261,939	450,902
\$25,000 under \$30,000	44,159	400,043	780,877	7,120,203	214,822	678,323	188,357	150,090	469,034	1,763,608	250,569	438,979
\$30,000 under \$40,000	58,919	490,947	1,338,406	13,555,513	415,643	1,433,892	303,857	198,046	957,048	4,217,320	521,237	941,276
\$40,000 under \$50,000	**75,220	**1,244,773	1,053,027	12,813,433	325,702	999,570	260,655	201,259	947,380	5,027,346	433,435	745,336
\$50,000 under \$75,000	**	**	1,352,044	23,283,577	447,738	1,876,477	369,827	233,563	1,496,640	11,273,782	767,520	1,259,417
\$75,000 under \$100,000	**	**	514,984	14,820,501	145,348	863,260	133,028	128,056	790,283	9,499,951	369,999	696,254
\$100,000 under \$200,000	**	**	479,508	24,785,050	110,020	961,275	80,597	154,857	607,168	19,276,181	319,911	649,431
\$200,000 under \$500,000	**	**	142,358	13,376,559	43,073	644,283	19,167	24,495	334,443	22,733,996	115,871	260,303
\$500,000 under \$1,000,000	255	6,329	23,972	3,968,642	9,364	347,959	2,037	2,156	75,678	13,999,480	22,248	55,073
\$1,000,000 or more	175	5,373	12,094	4,226,685	5,313	678,526	498	1,555	43,529	48,332,547	9,275	24,589
Nontaxable returns, total	69,953	256,915	2,320,449	12,766,738	773,036	8,934,467	149,233	67,874	698,238	8,930,782	549,302	1,109,298

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Sales of capital assets reported on Schedule D—Continued											
	Short-term capital gains			Short-term capital losses			Short-term loss carryover			Long-term capital gains		
	Number of returns (25)	Amount (26)	Number of returns (27)	Amount (28)	Number of returns (29)	Amount (30)	Number of returns (31)	Amount (32)	Number of returns (33)	Amount (34)	Number of returns (35)	Amount (36)
All returns, total	2,886,750	19,727,590	2,613,695	27,216,937	518,951	13,243,645	9,462,955	159,376,788	5,292,614	52,091,834	1,351,482	25,841,442
No adjusted gross income	44,262	672,692	66,255	2,364,738	26,877	1,472,992	169,929	9,671,744	131,649	6,674,799	62,119	4,486,152
\$1 under \$5,000	70,147	87,373	47,516	177,655	*7,036	*129,877	365,651	659,828	209,324	845,065	56,267	496,971
\$5,000 under \$10,000	115,306	181,292	125,028	787,889	27,092	383,148	521,444	1,183,173	312,644	1,694,685	70,398	837,968
\$10,000 under \$15,000	141,551	433,868	144,764	986,227	31,084	565,486	562,611	1,757,286	343,530	4,653,815	97,115	3,105,256
\$15,000 under \$20,000	120,219	331,233	106,025	512,621	22,866	266,207	624,181	2,154,059	294,653	2,073,951	64,248	1,070,233
\$20,000 under \$25,000	114,271	389,101	118,622	398,198	21,766	162,274	573,832	2,401,934	315,116	2,217,477	76,737	1,096,243
\$25,000 under \$30,000	146,853	309,782	129,812	1,731,841	**92,792	**2,346,463	543,529	2,309,635	281,003	1,288,232	73,244	599,659
\$30,000 under \$40,000	300,694	583,193	312,664	1,798,676	..	..	1,077,887	5,042,719	594,572	3,560,393	158,600	2,046,480
\$40,000 under \$50,000	308,816	943,518	251,286	1,749,600	43,635	746,204	1,045,650	5,611,470	536,290	3,439,591	125,357	1,729,448
\$50,000 under \$75,000	552,595	1,692,994	456,184	3,871,968	86,618	2,143,371	1,660,856	12,647,826	965,434	5,819,769	228,107	2,517,002
\$75,000 under \$100,000	343,647	1,423,167	294,864	2,167,767	55,059	1,132,246	884,545	10,219,616	505,444	4,296,640	131,261	1,888,694
\$100,000 under \$200,000	362,169	2,321,560	322,411	3,586,227	61,737	1,700,219	911,757	20,814,556	496,009	5,834,866	122,558	2,666,092
\$200,000 under \$500,000	185,663	3,083,260	167,967	2,921,420	29,688	1,047,149	385,184	23,753,783	220,242	4,119,693	63,041	1,530,523
\$500,000 under \$1,000,000	49,022	1,957,979	43,457	1,864,657	8,238	429,610	87,079	14,261,266	54,975	2,164,632	14,780	707,211
\$1,000,000 or more	31,533	5,316,577	26,839	2,297,454	4,469	718,401	48,819	46,887,891	31,729	3,408,227	7,650	1,063,509
Taxable returns, total	2,702,299	18,455,121	2,392,148	22,648,538	455,445	10,186,956	8,657,228	147,104,730	4,703,712	38,631,118	1,153,935	17,048,527
No adjusted gross income	1,963	105,499	2,237	244,364	1,385	52,288	5,551	1,769,243	2,398	216,349	370	84,563
\$1 under \$5,000	41,876	41,676	14,923	10,202	..	..	177,680	135,563	71,470	75,731	*6,964	*11,684
\$5,000 under \$10,000	77,072	116,045	66,903	405,616	14,773	186,551	303,405	526,695	154,518	731,755	33,496	382,283
\$10,000 under \$15,000	107,788	353,504	113,716	539,403	21,746	280,902	468,689	1,164,569	266,267	1,991,223	76,201	1,092,171
\$15,000 under \$20,000	110,388	267,317	92,391	425,010	20,595	188,004	557,059	1,678,911	268,054	1,626,624	60,546	764,836
\$20,000 under \$25,000	102,366	222,403	108,773	267,903	18,787	109,548	550,417	2,188,025	288,332	1,758,825	64,599	950,273
\$25,000 under \$30,000	140,530	282,758	127,081	1,725,965	**91,878	**2,343,297	525,551	2,140,190	269,736	1,252,552	69,622	579,017
\$30,000 under \$40,000	295,950	563,500	310,550	1,791,919	..	..	1,064,458	4,817,273	586,448	3,281,350	154,550	1,798,001
\$40,000 under \$50,000	306,718	868,702	250,792	1,699,441	43,474	740,931	1,040,600	5,345,626	533,059	3,286,892	123,496	1,584,307
\$50,000 under \$75,000	546,925	1,675,193	452,000	3,345,522	85,488	1,735,436	1,650,409	12,157,551	959,624	5,609,701	226,814	2,478,709
\$75,000 under \$100,000	343,203	1,404,147	293,258	2,038,123	53,905	1,026,318	882,408	10,063,904	502,247	3,687,456	129,900	1,545,995
\$100,000 under \$200,000	361,775	3,216,504	321,756	3,240,578	61,171	1,422,296	910,782	20,632,515	495,217	5,650,440	122,073	2,537,502
\$200,000 under \$500,000	185,308	3,047,353	167,607	2,855,801	29,576	1,022,384	384,530	23,552,690	219,787	4,019,118	62,904	1,501,828
\$500,000 under \$1,000,000	48,947	1,926,483	43,372	1,821,569	8,212	413,571	86,951	14,167,291	54,883	2,099,469	14,759	697,491
\$1,000,000 or more	31,478	5,264,037	26,789	2,237,123	4,455	685,439	48,738	46,764,686	31,674	3,343,633	7,640	1,039,867
Nontaxable returns, total	184,450	1,272,469	221,547	4,568,398	63,515	3,056,680	805,726	12,272,057	588,901	13,460,716	197,547	8,792,915

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Sales of property other than capital assets				Total taxable IRA distributions		Pensions and annuities				Rent			
	Net gain		Net loss		Number of returns	Amount	Total		In adjusted gross income		Net income		Net loss (includes nondeductible loss)	
	Number of returns	Amount	Number of returns	Amount			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
All returns, total	900,208	6,480,649	870,909	5,421,819	2,985,214	13,875,464	17,651,137	196,308,325	16,816,830	147,358,442	3,766,547	23,912,182	5,245,122	33,301,182
No adjusted gross income	36,597	543,396	57,745	2,066,104	16,951	147,308	71,725	679,757	66,289	503,913	60,953	687,384	164,650	3,446,275
\$1 under \$5,000	18,959	107,191	33,712	127,175	65,143	593,719	586,448	1,836,669	558,111	1,341,516	150,592	285,351	137,847	618,733
\$5,000 under \$10,000	43,805	65,542	36,538	111,413	228,690	593,719	2,028,191	9,446,464	1,994,444	8,654,326	333,579	876,734	236,670	1,017,035
\$10,000 under \$15,000	52,952	102,448	53,242	244,690	356,665	1,055,378	2,516,551	16,499,825	2,465,042	15,087,145	349,475	1,085,395	304,618	1,233,002
\$15,000 under \$20,000	80,797	157,626	58,233	183,591	353,809	1,232,090	1,942,171	16,861,746	1,910,972	15,303,036	352,149	972,520	331,360	1,427,590
\$20,000 under \$25,000	59,853	212,392	46,704	218,518	270,862	958,247	1,560,076	15,403,283	1,501,761	13,231,536	262,498	995,771	332,717	1,589,863
\$25,000 under \$30,000	65,115	244,421	52,552	97,644	245,678	915,457	1,304,177	13,983,589	1,249,807	11,741,548	230,918	791,639	423,497	2,087,384
\$30,000 under \$40,000	97,173	298,719	92,697	235,895	379,185	1,555,752	2,188,198	23,293,962	2,050,219	20,042,420	484,544	1,673,600	674,911	2,971,946
\$40,000 under \$50,000	73,909	340,168	77,361	253,689	366,619	1,530,670	1,820,650	21,089,872	1,721,020	17,157,627	399,006	1,816,386	618,529	2,859,760
\$50,000 under \$75,000	145,312	1,037,521	136,901	541,062	438,151	2,624,088	2,167,041	32,320,553	1,977,459	21,457,985	486,304	2,901,030	1,006,655	6,195,339
\$75,000 under \$100,000	69,311	514,546	62,177	285,800	148,385	1,169,185	776,566	14,098,583	707,232	10,196,341	244,775	2,219,609	436,694	2,858,127
\$100,000 under \$200,000	91,913	951,360	85,198	311,862	88,963	1,155,015	501,881	15,595,537	432,167	7,836,035	254,955	3,630,525	396,841	3,660,700
\$200,000 under \$500,000	46,408	872,757	54,282	379,056	20,378	474,250	143,872	8,939,906	109,183	2,514,180	114,765	3,257,114	138,208	2,110,030
\$500,000 under \$1,000,000	10,962	373,545	14,102	154,652	3,703	138,805	29,302	3,447,151	22,090	1,139,259	26,588	1,330,740	28,740	686,388
\$1,000,000 or more	7,143	659,015	9,465	210,567	2,033	166,900	14,287	2,811,427	11,035	1,151,575	15,405	1,408,385	13,186	539,010
Taxable returns, total	770,477	5,533,170	730,488	2,732,822	2,684,407	12,926,583	15,559,747	185,986,215	14,795,350	138,668,024	3,247,417	21,885,651	4,610,608	27,024,071
No adjusted gross income	1,049	57,592	2,333	58,161	1,184	5,810	258	39,390	245	24,549	1,216	84,952	3,880	277,869
\$1 under \$5,000	*3,557	*415	*7,535	*319	*3,014	*4,068	24,113	61,812	24,113	35,401	*4,521	*10,225	*1,515	*3,380
\$5,000 under \$10,000	17,376	16,382	14,871	17,524	74,437	203,142	1,041,599	4,685,122	1,025,640	4,368,237	166,611	394,407	90,559	283,204
\$10,000 under \$15,000	36,645	71,258	35,661	88,392	311,569	917,416	2,167,300	14,475,310	2,132,047	13,377,848	265,496	799,430	213,794	697,112
\$15,000 under \$20,000	62,966	98,251	55,516	181,739	341,319	1,173,752	1,872,349	16,397,424	1,841,150	14,913,912	318,862	812,032	290,020	1,118,073
\$20,000 under \$25,000	55,138	163,345	40,815	106,918	268,648	955,380	1,543,532	15,287,862	1,485,353	13,122,382	254,274	941,816	313,309	1,455,124
\$25,000 under \$30,000	58,551	193,747	49,445	96,450	243,190	900,112	1,292,077	13,892,457	1,238,641	11,665,740	221,162	729,295	406,643	1,936,412
\$30,000 under \$40,000	92,206	267,325	89,731	156,847	375,860	1,517,564	2,182,570	23,226,564	2,085,596	20,018,561	478,601	1,630,742	666,414	2,807,500
\$40,000 under \$50,000	73,120	321,595	74,727	216,091	364,759	1,526,210	1,810,501	20,902,797	1,710,871	16,978,760	398,217	1,803,477	612,610	2,795,035
\$50,000 under \$75,000	144,522	992,988	134,987	511,580	437,020	2,620,561	2,159,865	32,202,297	1,970,284	21,341,838	483,740	2,888,711	1,001,190	5,915,374
\$75,000 under \$100,000	69,143	508,464	62,016	253,102	148,361	1,169,105	776,423	14,039,459	707,090	10,187,773	243,488	2,209,366	435,141	2,837,215
\$100,000 under \$200,000	91,832	950,356	85,158	311,285	88,963	1,155,015	501,853	15,592,803	432,141	7,833,513	254,675	3,600,668	395,796	3,613,040
\$200,000 under \$500,000	46,307	864,890	54,171	375,650	20,355	473,065	143,749	8,930,101	109,082	2,511,324	114,611	3,249,124	137,869	2,085,490
\$500,000 under \$1,000,000	10,938	371,553	14,076	153,290	3,696	138,464	29,277	3,442,178	22,072	1,137,144	26,558	1,327,448	28,687	679,511
\$1,000,000 or more	7,128	655,009	9,446	205,476	2,033	166,900	14,277	2,810,639	11,026	1,151,043	15,385	1,403,957	13,161	519,732
Non-taxable returns, total	129,731	947,479	140,421	2,688,997	300,806	948,881	2,091,390	10,322,110	2,021,480	8,690,418	519,130	2,026,531	634,514	6,277,111

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Royalty				Farm rental				Total rent and royalty			
	Net income		Net loss		Net income		Net loss		Net income		Net loss in AGI	
	Number of returns (51)	Amount (52)	Number of returns (53)	Amount (54)	Number of returns (55)	Amount (56)	Number of returns (57)	Amount (58)	Number of returns (59)	Amount (60)	Number of returns (61)	Amount (62)
All returns, total	1,104,224	4,047,260	61,368	99,096	506,314	2,691,159	104,998	325,245	4,873,566	30,143,479	5,257,521	29,215,820
No adjusted gross income	26,522	119,411	316	3,563	8,841	48,075	1,660	11,304	81,009	805,624	163,822	2,722,646
\$1 under \$5,000	48,505	55,261	*2,865	*85	17,958	33,762	*3,557	*20,270	203,188	351,391	137,525	621,905
\$5,000 under \$10,000	76,278	78,273	*1,358	*3,831	64,601	174,778	14,549	56,815	442,553	1,094,485	237,832	1,004,861
\$10,000 under \$15,000	81,816	125,637	*8,894	*15,060	61,863	242,294	14,894	15,081	453,969	1,440,357	322,245	1,232,467
\$15,000 under \$20,000	79,891	134,291	*2,865	*7,430	62,217	279,397	*9,347	*36,346	466,557	1,371,044	336,285	1,445,350
\$20,000 under \$25,000	73,394	132,854	*913	*1	43,458	240,048	9,609	35,259	338,088	1,304,021	332,613	1,534,083
\$25,000 under \$30,000	62,929	140,240	*292	*913	36,358	150,229	*4,135	*16,381	304,203	1,072,970	425,036	1,953,509
\$30,000 under \$40,000	121,012	206,798	*7,123	*1,912	53,889	271,667	10,736	17,232	610,374	2,114,346	681,744	2,962,893
\$40,000 under \$50,000	96,034	163,124	*4,680	*8,893	40,984	262,610	*5,831	*27,609	486,619	2,202,497	618,215	2,862,133
\$50,000 under \$75,000	187,681	406,816	9,245	14,953	63,872	440,228	16,603	25,599	655,396	3,697,258	1,010,263	5,773,224
\$75,000 under \$100,000	96,617	354,644	*6,355	*7,662	22,900	207,608	7,062	38,163	329,766	2,751,698	434,741	2,770,901
\$100,000 under \$200,000	83,782	666,944	8,926	14,070	20,935	208,085	4,056	8,956	307,343	4,444,477	387,951	2,441,923
\$200,000 under \$500,000	50,409	651,300	5,089	13,573	6,702	97,476	2,048	8,694	141,653	3,952,924	128,944	1,074,838
\$500,000 under \$1,000,000	11,403	284,068	1,224	3,082	1,119	20,015	585	1,709	33,109	1,609,696	27,768	436,609
\$1,000,000 or more	7,951	527,598	600	4,690	617	14,886	325	3,826	19,739	1,930,691	12,537	378,477
Taxable returns, total	968,944	3,760,493	54,583	92,508	431,854	2,448,084	91,963	253,481	4,212,057	27,745,564	4,625,055	23,907,641
No adjusted gross income	185	11,026	21	258	*720	*2,063	**	**	1,251	97,234	3,851	236,439
\$1 under \$5,000	*6,028	*2,041	—	—	—	—	—	—	*10,549	*12,266	*1,515	*666
\$5,000 under \$10,000	29,114	24,917	*1,358	*3,831	29,502	76,445	**7,437	**19,456	214,605	502,775	96,660	304,381
\$10,000 under \$15,000	72,971	115,041	*6,028	*12,050	56,035	228,097	14,894	15,081	363,666	1,137,804	228,190	711,013
\$15,000 under \$20,000	75,957	130,304	*2,865	*7,430	57,302	248,743	*9,347	*36,346	426,848	1,175,914	294,945	1,124,431
\$20,000 under \$25,000	69,819	97,349	*913	*1	42,751	229,213	*8,907	*32,448	329,156	1,238,254	312,503	1,430,968
\$25,000 under \$30,000	62,929	140,240	*913	*292	35,373	143,698	*4,135	*16,381	294,447	1,004,168	408,183	1,809,840
\$30,000 under \$40,000	119,874	202,646	*7,123	*1,912	53,075	269,349	10,736	17,232	603,396	2,065,570	673,262	2,797,272
\$40,000 under \$50,000	96,008	162,771	*4,680	*8,893	40,984	262,610	*5,831	*27,609	485,831	2,189,481	612,295	2,817,808
\$50,000 under \$75,000	186,204	394,502	8,875	14,953	63,872	440,228	16,603	25,599	652,462	3,675,017	1,004,798	5,632,043
\$75,000 under \$100,000	96,593	354,643	**14,910	**21,713	22,879	207,485	7,062	38,163	328,455	2,740,761	433,212	2,750,159
\$100,000 under \$200,000	83,624	666,460	**	**	20,935	208,085	4,056	8,956	307,159	4,433,164	386,769	2,429,396
\$200,000 under \$500,000	50,311	647,443	5,075	13,536	6,684	97,175	2,045	8,681	141,448	3,941,025	128,640	1,058,608
\$500,000 under \$1,000,000	11,384	283,781	1,219	2,949	1,116	20,009	584	1,702	33,071	1,606,160	27,717	433,350
\$1,000,000 or more	7,943	527,328	600	4,690	617	14,886	325	3,826	19,714	1,925,972	12,515	371,266
Nontaxable returns, total	135,280	286,766	6,785	6,589	74,460	243,075	13,034	71,764	661,509	2,397,915	632,466	5,308,179

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Partnership and S Corporation						Estate and Trust						Farm					
	Net income			Net loss			Net income			Net loss			Net income			Net loss		
	Number of returns (63)	Amount (64)	Number of returns (65)	Amount (66)	Number of returns (67)	Amount (68)	Number of returns (69)	Amount (70)	Number of returns (71)	Amount (72)	Number of returns (73)	Amount (74)	Number of returns (75)	Amount (76)	Number of returns (77)	Amount (78)	Number of returns (79)	Amount (80)
All returns, total	3,098,635	107,373,738	2,829,653	44,281,682	470,841	4,502,464	81,656	543,568	1,029,336	11,498,065	1,330,382	11,712,004						
No adjusted gross income	43,964	635,140	168,086	17,667,584	10,217	84,256	2,687	147,812	32,849	437,131	96,786	2,702,280						
\$1 under \$5,000	104,052	192,980	74,991	391,751	26,498	73,726	6,370	*28,702	88,635	195,873	79,987	582,428						
\$5,000 under \$10,000	143,540	476,505	98,285	717,353	43,136	144,681	*7,311	*12,215	113,945	404,502	97,318	603,101						
\$10,000 under \$15,000	169,595	935,844	93,155	457,307	44,902	136,487	*6,942	*30,540	111,671	646,111	127,324	564,975						
\$15,000 under \$20,000	168,493	1,052,576	152,499	829,390	24,493	98,227	*4,706	*5,621	105,022	624,764	121,536	808,669						
\$20,000 under \$25,000	132,440	958,034	135,009	899,600	25,433	92,304	*5,113	*7,357	93,019	789,618	118,977	681,357						
\$25,000 under \$30,000	163,458	1,178,874	139,238	658,200	30,831	146,384	*2,916	*4,573	89,453	775,084	115,282	646,444						
\$30,000 under \$40,000	314,482	2,841,712	289,056	1,364,832	49,830	228,082	*4,361	*25,728	127,414	1,491,228	177,895	1,018,127						
\$40,000 under \$50,000	319,736	2,884,840	256,963	1,365,312	25,342	48,882	*9,547	*10,362	105,341	1,549,347	135,070	799,011						
\$50,000 under \$75,000	504,572	7,045,890	498,374	2,528,435	60,291	257,066	9,494	95,317	97,840	1,755,708	137,986	831,761						
\$75,000 under \$100,000	314,939	6,417,329	302,498	1,898,033	**91,300	**977,136	*2,346	*9,461	26,912	882,180	49,584	474,743						
\$100,000 under \$200,000	414,994	17,088,906	384,879	3,872,164	**	**	9,286	61,419	25,605	1,134,484	44,688	770,492						
\$200,000 under \$500,000	221,423	21,180,519	179,032	4,451,747	28,859	609,130	7,137	38,426	8,904	400,423	20,439	596,972						
\$500,000 under \$1,000,000	52,125	12,448,151	38,635	2,458,479	7,100	452,401	2,179	27,021	1,714	186,031	4,575	246,605						
\$1,000,000 or more	30,821	32,056,739	18,953	4,721,494	4,609	1,153,723	1,262	39,016	1,110	165,580	2,936	385,040						
Taxable returns, total	2,838,724	105,808,325	2,448,782	24,458,481	432,038	4,308,245	70,114	358,570	778,730	9,897,360	1,013,726	7,499,492						
No adjusted gross income	325	109,372	2,834	1,454,279	101	7,239	78	8,062	74	24,470	918	74,246						
\$1 under \$5,000	30,001	19,150	*11,485	*8,468	17,513	24,459	*2,443	*344	13,042	17,912	*3,557	*3,870						
\$5,000 under \$10,000	77,484	274,059	44,764	119,051	30,756	104,140	*6,028	*1,683	46,273	157,925	23,979	136,371						
\$10,000 under \$15,000	127,973	623,533	60,186	101,060	42,481	116,413	*6,942	*30,540	74,422	398,237	84,345	330,691						
\$15,000 under \$20,000	148,298	954,639	136,242	505,826	23,791	97,942	*2,215	*460	90,203	507,130	102,731	721,827						
\$20,000 under \$25,000	126,932	934,548	122,793	546,008	25,433	92,304	*3,927	*7,034	83,863	690,267	113,857	601,074						
\$25,000 under \$30,000	157,423	1,158,959	127,758	537,352	29,324	143,515	*2,916	*4,573	81,806	656,849	113,800	615,361						
\$30,000 under \$40,000	313,846	2,784,897	281,690	1,128,325	48,100	227,297	*4,361	*25,728	122,435	1,371,391	175,711	993,321						
\$40,000 under \$50,000	319,730	2,883,479	247,842	1,090,513	25,342	247,842	*9,547	*10,362	104,639	1,549,140	135,010	785,719						
\$50,000 under \$75,000	504,141	7,042,719	493,211	2,248,183	59,553	256,911	9,494	95,317	97,840	1,755,708	137,933	824,582						
\$75,000 under \$100,000	313,808	6,330,772	300,384	1,695,003	**91,138	**975,358	*2,346	*9,461	26,912	882,180	49,510	455,085						
\$100,000 under \$200,000	414,552	17,082,138	383,660	3,726,053	**	**	9,286	61,302	25,605	1,134,484	44,503	749,177						
\$200,000 under \$500,000	221,301	21,150,169	178,520	4,276,455	26,808	608,283	7,120	38,133	8,794	400,058	20,382	589,300						
\$500,000 under \$1,000,000	52,107	12,444,229	38,523	2,391,184	**11,698	**1,605,506	2,174	26,592	1,711	186,027	4,561	242,859						
\$1,000,000 or more	30,804	32,035,663	18,889	4,630,921	**	**	1,259	38,980	1,110	165,580	2,929	376,010						
Nontaxable returns, total	259,912	1,565,414	380,871	19,823,201	38,802	194,219	11,542	184,998	250,606	1,600,706	316,656	4,212,512						

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Unemployment compensation		Social Security benefits				Foreign earned income exclusion		Other income			
	Number of returns (75)	Amount (76)	Total		Benefits in AGI		Number of returns (81)	Amount (82)	Net income		Net loss	
			Number of returns (77)	Amount (78)	Number of returns (79)	Amount (80)			Number of returns (83)	Amount (84)	Number of returns (85)	Amount (86)
All returns, total	7,175,322	12,095,062	10,417,916	91,757,049	4,675,100	17,347,058	194,017	7,303,049	6,179,323	23,332,083	184,742	4,648,933
No adjusted gross income	20,702	50,554	88,750	706,701	2,922	13,095	27,201	832,110	54,209	507,455	32,258	3,333,467
\$1 under \$5,000	335,904	350,433	680,534	4,939,258	*4,200	*10,236	63,129	1,742,442	466,718	602,204	*6,156	*34,905
\$5,000 under \$10,000	1,036,853	1,468,230	1,603,504	12,977,037	20,395	65,282	12,903	507,398	505,382	1,036,318	13,365	92,726
\$10,000 under \$15,000	2,058,505	2,917,445	1,175,401	14,098,733	16,280	55,268	7,799	132,581	569,892	1,170,858	*6,855	*67,919
\$15,000 under \$20,000	879,310	1,467,036	1,091,237	9,511,849	33,611	34,791	16,850	498,535	459,323	926,548	15,850	101,441
\$20,000 under \$25,000	725,046	1,346,276	847,644	7,402,923	274,731	297,438	7,478	353,358	437,534	846,681	*10,714	*72,278
\$25,000 under \$30,000	599,660	1,138,174	733,886	6,584,384	556,404	889,300	5,112	212,686	404,302	701,563	14,167	109,095
\$30,000 under \$40,000	1,064,678	1,780,894	1,219,316	10,172,646	1,206,336	3,471,590	9,476	351,190	729,033	1,332,342	*26,768	*191,794
\$40,000 under \$50,000	649,521	1,164,081	939,033	8,454,327	939,033	4,062,674	5,486	275,620	720,221	1,660,853	**	**
\$50,000 under \$75,000	544,471	980,025	881,267	8,733,107	881,267	4,359,507	14,638	682,951	941,333	2,336,595	*43,686	*252,369
\$75,000 under \$100,000	99,765	179,171	354,920	3,555,252	354,920	1,777,550	8,561	547,705	372,933	1,536,381	**	**
\$100,000 under \$200,000	36,649	86,013	271,191	3,135,772	271,191	1,567,823	10,059	733,401	336,529	3,115,989	7,271	97,871
\$200,000 under \$500,000	6,805	23,923	85,316	1,075,590	85,316	537,775	4,328	335,728	132,415	2,734,643	5,649	140,608
\$500,000 under \$1,000,000	369	1,096	18,668	264,114	18,668	132,052	712	72,941	31,165	1,327,284	1,139	52,096
\$1,000,000 or more	188	649	9,826	145,357	9,826	72,676	284	24,403	18,334	3,496,370	865	102,365
Taxable returns, total	5,761,400	9,951,196	8,614,241	76,440,844	4,618,366	17,140,915	86,658	3,940,123	5,432,239	21,177,025	126,961	1,333,660
No adjusted gross income	*145	*713	2,135	22,273	*1,186	*4,825	**	**	2,640	58,890	325	317,218
\$1 under \$5,000	*6,028	*7,549	34,514	185,042	**	**	**	**	193,939	220,213	**	**
\$5,000 under \$10,000	514,056	750,650	807,606	5,666,197	*11,759	*32,897	*5,490	*126,590	283,768	579,990	*6,979	*40,462
\$10,000 under \$15,000	738,234	1,257,345	1,406,457	12,305,613	16,280	55,268	*4,602	*80,424	446,822	835,966	*2,927	*49,408
\$15,000 under \$20,000	803,603	1,329,471	1,056,579	9,246,530	30,597	31,646	12,151	272,895	422,774	873,084	14,419	89,401
\$20,000 under \$25,000	706,334	1,279,587	827,617	7,273,266	266,979	286,702	*6,621	*299,655	420,681	722,723	*8,077	*44,703
\$25,000 under \$30,000	591,474	1,110,344	725,165	6,523,818	550,375	879,771	*4,907	*188,088	394,205	635,893	11,313	35,542
\$30,000 under \$40,000	**2,394,440	**4,189,904	1,207,688	10,029,758	1,194,708	3,425,059	9,271	334,343	724,360	1,309,223	*25,989	*168,588
\$40,000 under \$50,000	**	**	933,171	8,383,771	933,171	4,029,673	5,349	263,108	716,432	1,649,307	**	**
\$50,000 under \$75,000	**	**	874,833	8,651,853	874,833	4,318,880	14,360	663,644	938,867	2,335,362	*42,184	*212,475
\$75,000 under \$100,000	**	**	353,719	3,534,948	353,719	1,767,398	8,561	547,705	370,389	1,439,703	**	**
\$100,000 under \$200,000	**	**	271,114	3,134,719	271,114	1,567,296	10,059	733,401	335,790	2,997,329	7,128	87,629
\$200,000 under \$500,000	*7,168	*24,988	85,185	1,074,026	85,185	536,993	4,298	333,537	132,170	2,718,651	5,622	137,216
\$500,000 under \$1,000,000	**	**	18,644	263,818	18,644	131,904	709	72,667	31,108	1,320,567	*1,997	*151,017
\$1,000,000 or more	188	649	9,815	145,212	9,815	72,604	280	24,065	18,295	3,480,123	**	**
Nontaxable returns, total	1,413,922	2,143,866	1,803,675	15,316,205	56,734	206,144	107,359	3,362,926	747,084	2,155,058	57,781	3,315,273

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Statutory adjustments																	
	Total			Primary IRA payments			Secondary IRA payments			Payments to a Keogh plan			Forfeited interest penalty			Alimony paid		
	Number of returns (87)	Amount (88)		Number of returns (89)	Amount (90)		Number of returns (91)	Amount (92)		Number of returns (93)	Amount (94)		Number of returns (95)	Amount (96)		Number of returns (97)	Amount (98)	
All returns, total	9,926,729	24,572,969		5,280,531	7,806,631		2,372,984	3,022,063		822,353	6,326,156		1,056,067	312,689		600,571	4,514,401	
No adjusted gross income	80,701	204,491		17,103	26,744		6,136	6,340		625	4,913		18,339	12,635		10,620	108,717	
\$1 under \$5,000	207,852	245,306		67,402	99,762		16,471	10,868		3,020	1,047		57,687	13,561		11,850	83,349	
\$5,000 under \$10,000	560,339	627,872		215,505	307,677		32,223	32,336		12,202	9,344		125,474	34,960		17,563	70,601	
\$10,000 under \$15,000	759,301	969,130		377,716	538,729		80,026	108,619		14,796	23,856		139,556	34,847		64,306	284,163	
\$15,000 under \$20,000	887,880	1,314,353		490,418	743,255		129,850	163,635		22,057	39,782		96,730	28,458		..	..
\$20,000 under \$25,000	951,675	1,581,440		610,161	916,609		148,378	205,809		23,470	63,833		80,029	17,336		40,192	188,163	
\$25,000 under \$30,000	997,717	1,750,849		650,509	947,288		235,441	328,410		34,199	76,386		84,615	16,438		52,888	255,401	
\$30,000 under \$40,000	1,740,188	3,297,739		1,110,126	1,603,367		535,195	655,697		67,781	214,477		141,198	62,209		84,143	422,542	
\$40,000 under \$50,000	1,338,144	2,343,497		852,430	1,002,374		519,064	523,334		75,211	230,585		101,893	19,951		60,349	273,240	
\$50,000 under \$75,000	1,063,741	3,155,075		430,296	746,686		298,564	413,097		176,449	816,168		122,172	29,730		97,700	664,068	
\$75,000 under \$100,000	536,568	2,142,967		211,218	392,537		175,502	256,029		114,781	737,101		53,743	28,800		74,607	572,911	
\$100,000 under \$200,000	532,374	3,755,627		177,944	347,570		148,700	227,868		183,828	2,199,763		24,850	5,462		52,295	688,760	
\$200,000 under \$500,000	193,480	2,291,706		55,857	106,884		46,869	74,254		75,396	1,484,199		7,205	5,723		23,995	526,110	
\$500,000 under \$1,000,000	37,874	576,480		9,178	17,894		7,035	10,357		13,179	298,365		1,702	1,376		6,469	215,874	
\$1,000,000 or more	18,897	316,436		4,666	9,253		3,529	5,409		5,359	126,336		875	1,203		3,594	160,501	
Taxable returns, total	9,131,199	23,576,332		5,062,649	7,503,886		2,291,266	2,932,812		804,789	6,300,318		894,840	271,391		565,776	4,249,792	
No adjusted gross income	334	3,989		74	140		76	94		55	601		19	46		83	2,988	
\$1 under \$5,000	41,313	25,681		17,193	22,057		..	..		8	54		24,113	3,570		..	..
\$5,000 under \$10,000	332,095	441,715		160,874	237,651		3,630	6,072		5,434	4,092		62,702	22,351		16,132	63,576	
\$10,000 under \$15,000	567,530	755,792		321,270	470,432		53,236	79,748		12,523	20,995		108,549	30,935		55,640	236,959	
\$15,000 under \$20,000	816,860	1,238,039		474,000	718,138		126,423	158,528		20,698	38,423		89,081	27,295		..	..
\$20,000 under \$25,000	923,520	1,534,949		597,329	900,670		143,082	197,468		21,050	57,020		75,188	16,815		38,685	179,443	
\$25,000 under \$30,000	987,892	1,733,150		645,974	938,217		231,889	327,522		33,809	75,845		84,615	16,438		52,817	252,971	
\$30,000 under \$40,000	1,724,355	3,276,688		1,105,041	1,594,556		534,276	654,202		67,075	212,805		139,317	62,165		84,020	419,906	
\$40,000 under \$50,000	1,338,072	2,343,425		852,362	1,002,313		519,064	523,334		75,211	230,585		101,893	19,951		60,349	273,240	
\$50,000 under \$75,000	1,081,788	3,150,647		429,851	745,918		298,118	412,206		176,442	816,166		121,042	29,678		97,331	661,630	
\$75,000 under \$100,000	535,278	2,139,878		211,194	392,510		175,478	256,002		114,781	737,101		53,719	28,409		74,471	571,032	
\$100,000 under \$200,000	532,144	3,751,632		177,841	347,362		148,600	227,669		183,804	2,198,496		24,847	5,462		52,267	688,349	
\$200,000 under \$500,000	193,302	2,289,332		55,812	106,796		46,834	74,203		75,367	1,483,617		7,189	5,714		23,942	524,986	
\$500,000 under \$1,000,000	37,838	575,899		13,833	27,125		7,031	10,354		18,532	424,518		1,695	1,371		6,456	215,428	
\$1,000,000 or more	18,877	315,515		..	..		3,529	5,409		..	..		871	1,192		3,584	159,682
Nontaxable returns, total	795,531	996,636		217,882	302,745		81,718	89,251		17,564	25,838		161,227	41,298		34,795	264,609	

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Statutory adjustments—Continued				Basic standard deduction		Additional standard deduction	
	Self-employed health insurance		Other adjustments		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount				
	(89)	(100)	(101)	(102)	(103)	(104)	(105)	(106)
All returns, total	2,364,511	1,267,834	377,507	1,269,060	79,338,895	299,978,991	10,551,521	9,452,043
No adjusted gross income	36,634	20,386	2,263	24,757	—	—	—	—
\$1 under \$5,000	76,510	29,335	*1,507	*7,385	16,605,071	44,043,668	831,842	700,281
\$5,000 under \$10,000	181,514	75,685	24,702	79,733	14,377,399	52,544,977	2,466,136	2,099,499
\$10,000 under \$15,000	213,982	92,650	21,736	45,234	13,234,618	51,508,955	2,389,637	2,173,601
\$15,000 under \$20,000	240,613	104,704	28,847	71,069	10,231,010	40,701,266	1,551,545	1,407,635
\$20,000 under \$25,000	210,442	100,534	28,083	81,903	7,364,294	30,665,317	964,304	886,915
\$25,000 under \$30,000	193,735	91,126	14,498	35,799	5,294,074	22,885,831	592,832	549,489
\$30,000 under \$40,000	299,884	161,379	67,131	175,959	6,736,245	30,744,834	721,658	644,425
\$40,000 under \$50,000	212,685	123,626	56,966	163,712	3,185,828	15,338,001	521,675	490,652
\$50,000 under \$75,000	298,565	167,333	73,239	316,133	1,942,413	9,643,004	377,167	368,315
\$75,000 under \$100,000	137,614	88,940	19,644	66,264	256,421	1,273,667	83,048	79,782
\$100,000 under \$200,000	168,320	127,288	31,292	154,092	114,377	548,434	45,565	45,526
\$200,000 under \$500,000	71,966	60,137	6,283	29,376	14,709	69,967	5,245	5,009
\$500,000 under \$1,000,000	14,943	16,663	1,036	13,814	1,856	8,512	713	759
\$1,000,000 or more	8,004	8,047	279	3,830	581	2,560	154	154
Taxable returns, total	1,997,233	1,081,783	349,839	1,194,806	58,743,623	223,076,076	8,367,139	7,449,204
No adjusted gross income	131	119	**	**	—	—	—	—
\$1 under \$5,000	—	—	—	—	4,976,100	9,537,849	*12,364	*9,951
\$5,000 under \$10,000	90,870	31,523	**18,562	**66,783	9,114,252	28,150,078	1,270,034	960,665
\$10,000 under \$15,000	123,502	42,439	*11,313	*33,236	10,010,751	35,912,712	2,229,938	2,008,087
\$15,000 under \$20,000	196,503	79,760	23,048	56,944	9,804,324	38,560,275	1,544,264	1,401,660
\$20,000 under \$25,000	202,232	95,733	26,576	80,547	7,334,616	30,513,929	963,671	886,155
\$25,000 under \$30,000	186,095	86,358	14,498	52,853,324	5,285,324	22,842,822	591,647	548,066
\$30,000 under \$40,000	287,440	154,987	67,131	175,959	6,723,259	30,680,410	721,658	644,425
\$40,000 under \$50,000	212,681	123,615	56,966	163,712	3,164,824	15,332,779	521,675	490,652
\$50,000 under \$75,000	298,194	167,056	73,239	316,133	1,942,344	9,642,648	377,167	368,315
\$75,000 under \$100,000	136,484	88,175	19,644	66,264	256,421	1,273,667	83,048	79,782
\$100,000 under \$200,000	168,247	127,226	31,268	152,243	114,305	548,058	45,565	45,526
\$200,000 under \$500,000	71,917	60,094	6,277	29,342	14,677	69,828	**6,108	**5,918
\$500,000 under \$1,000,000	14,936	16,655	1,036	13,814	1,853	8,499	**	**
\$1,000,000 or more	8,000	8,044	279	3,830	572	2,521	**	**
Nontaxable returns, total	367,279	186,051	27,669	74,454	20,595,273	76,902,916	2,184,382	2,002,839

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total itemized deductions		Exemptions		Taxable income		Income tax before credits	
	Number of returns (107)	Amount (108)	Number of exemptions (109)	Amount (110)	Number of returns (111)	Amount (112)	Number of returns (113)	Amount (114)
All returns, total	31,972,317	430,977,959	223,756,252	447,129,806	92,313,789	2,173,345,881	92,246,065	438,240,138
No adjusted gross income	—	—	1,626,408	3,236,341	—	—	1,252	35,825
\$1 under \$5,000	162,917	1,486,812	12,942,904	25,841,291	5,073,979	3,435,344	4,994,831	561,444
\$5,000 under \$10,000	629,378	5,544,711	22,184,737	44,304,137	9,855,065	24,079,405	9,860,661	3,660,667
\$10,000 under \$15,000	1,068,327	8,915,497	25,475,201	50,907,910	12,693,453	68,611,583	12,698,591	10,332,167
\$15,000 under \$20,000	1,507,281	12,176,552	22,310,767	44,573,921	11,453,173	107,022,965	11,451,665	16,118,793
\$20,000 under \$25,000	1,968,007	16,118,559	19,741,306	39,450,084	9,215,631	122,363,183	9,215,632	18,532,722
\$25,000 under \$30,000	2,321,050	19,669,661	17,294,925	34,563,796	7,560,711	131,904,440	7,560,711	20,974,801
\$30,000 under \$40,000	5,364,124	49,201,323	30,885,354	61,732,973	12,062,779	278,320,160	2,062,779	46,134,902
\$40,000 under \$50,000	5,424,444	56,658,247	24,256,573	48,483,166	8,566,122	263,107,712	8,567,035	44,425,118
\$50,000 under \$75,000	7,978,928	101,063,378	29,544,223	59,066,080	9,906,175	424,581,970	9,906,176	81,825,268
\$75,000 under \$100,000	2,802,965	48,788,332	8,987,099	17,966,464	3,055,245	193,047,596	3,055,245	42,981,596
\$100,000 under \$200,000	1,975,980	51,329,803	6,190,397	12,373,173	2,066,857	212,184,703	2,066,857	54,763,302
\$200,000 under \$500,000	598,105	29,131,280	1,828,941	3,656,078	611,729	146,390,252	611,757	41,921,913
\$500,000 under \$1,000,000	113,790	11,031,212	330,337	660,377	115,395	66,881,786	115,396	19,001,524
\$1,000,000 or more	57,021	19,862,631	157,082	314,014	57,475	131,414,782	57,476	36,950,094
Taxable returns, total	30,427,264	406,692,432	179,337,335	358,432,996	89,127,496	2,166,089,001	89,165,958	437,136,845
No adjusted gross income	—	—	12,177	24,303	—	—	1,173	35,696
\$1 under \$5,000	13,275	40,176	49,353	97,590	4,975,952	3,428,115	4,990,881	560,324
\$5,000 under \$10,000	210,662	932,534	8,074,221	16,130,083	9,309,194	23,504,135	9,323,820	3,595,253
\$10,000 under \$15,000	632,279	3,780,473	13,794,309	27,563,156	10,635,270	64,034,160	10,642,063	9,646,231
\$15,000 under \$20,000	1,254,433	8,409,615	19,479,516	38,920,424	11,058,593	105,982,666	11,058,593	15,963,275
\$20,000 under \$25,000	1,839,166	13,816,274	19,081,093	38,134,984	9,173,777	122,122,458	9,173,777	18,496,588
\$25,000 under \$30,000	2,256,594	18,110,351	17,010,780	33,996,545	7,541,203	131,703,925	7,541,205	20,944,712
\$30,000 under \$40,000	5,323,256	47,699,143	30,695,603	61,353,847	12,046,484	278,017,605	12,046,484	46,088,122
\$40,000 under \$50,000	5,395,357	55,295,640	24,166,381	48,304,127	8,558,577	262,963,947	8,559,490	44,402,723
\$50,000 under \$75,000	7,963,571	100,095,906	29,511,404	59,000,450	9,903,864	424,526,687	9,903,865	81,816,077
\$75,000 under \$100,000	2,797,370	48,340,915	8,968,186	17,928,638	3,053,693	193,038,040	3,053,693	42,980,161
\$100,000 under \$200,000	1,973,422	50,883,664	6,181,056	12,354,563	2,066,443	212,155,734	2,086,443	54,755,867
\$200,000 under \$500,000	597,303	28,812,336	1,826,528	3,651,266	611,612	146,369,170	611,637	41,915,898
\$500,000 under \$1,000,000	113,639	10,895,154	329,907	659,520	115,378	66,874,734	115,378	18,999,533
\$1,000,000 or more	56,937	19,580,250	156,824	313,500	57,458	131,367,623	57,459	36,936,384
Non-taxable returns, total	1,545,054	24,285,567	44,418,917	88,696,810	3,186,293	7,256,880	3,080,107	1,103,293

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers.

NOTE: Detail may not add to totals because of rounding.

Table 1.5—Form 1040EZ Returns: Sources of Income and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Taxable interest		Standard deduction		Exemptions	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	20,094,154	195,421,902	20,023,376	194,881,261	6,490,502	540,641	20,094,154	56,495,975	14,109,892	28,208,062
Under \$5,000	7,810,278	18,655,995	7,739,500	18,488,139	2,160,898	167,856	7,810,278	18,437,620	2,829,263	5,652,458
\$5,000 under \$10,000	4,214,977	30,456,752	4,214,977	30,366,307	1,188,749	90,444	4,214,977	13,055,409	3,354,131	6,705,481
\$10,000 under \$15,000	3,268,393	40,327,509	3,268,393	40,245,080	1,039,414	82,429	3,268,393	10,127,669	3,149,537	6,297,810
\$15,000 under \$20,000	2,237,061	38,913,234	2,237,061	38,844,297	817,259	68,937	2,237,061	6,931,553	2,223,628	4,446,498
\$20,000 under \$25,000	1,297,884	28,833,206	1,297,884	28,767,131	621,079	66,075	1,297,884	4,022,934	1,287,773	2,575,292
\$25,000 under \$30,000	762,960	20,753,492	762,960	20,725,444	362,805	28,048	762,960	2,364,671	762,960	1,525,668
\$30,000 under \$40,000	431,786	14,414,730	431,786	14,385,331	252,811	29,399	431,786	1,336,595	431,786	863,226
\$40,000 or more	70,814	3,066,984	70,814	3,059,532	47,487	7,453	70,814	219,524	70,814	141,629
Taxable returns, total	14,469,468	183,136,058	14,469,468	182,642,448	5,895,982	493,610	14,469,468	43,506,877	11,174,024	22,342,392
Under \$5,000	2,292,198	6,909,034	2,292,198	6,786,733	1,591,657	122,301	2,292,198	5,778,999	—	—
\$5,000 under \$10,000	4,108,372	29,917,868	4,108,372	29,828,900	1,163,471	88,968	4,108,372	12,724,931	3,247,525	6,492,269
\$10,000 under \$15,000	3,268,393	40,327,509	3,268,393	40,245,080	1,039,414	82,429	3,268,393	10,127,669	3,149,537	6,297,810
\$15,000 under \$20,000	2,237,061	38,913,234	2,237,061	38,844,297	817,259	68,937	2,237,061	6,931,553	2,223,628	4,446,498
\$20,000 under \$25,000	1,297,884	28,833,206	1,297,884	28,767,131	621,079	66,075	1,297,884	4,022,934	1,287,773	2,575,292
\$25,000 under \$30,000	762,960	20,753,492	762,960	20,725,444	362,805	28,048	762,960	2,364,671	762,960	1,525,668
\$30,000 under \$40,000	431,786	14,414,730	431,786	14,385,331	252,811	29,399	431,786	1,336,595	431,786	863,226
\$40,000 or more	70,814	3,066,984	70,814	3,059,532	47,487	7,453	70,814	219,524	70,814	141,629
Nontaxable returns, total	5,624,686	12,285,845	5,553,908	12,238,813	594,519	47,031	5,624,686	12,989,099	2,935,868	5,865,670

Size of adjusted gross income	Taxable income		Total tax liability		Income tax withheld		Overpayment refunded		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	14,546,809	117,286,998	14,469,468	18,695,870	19,586,876	24,767,797	18,319,177	6,399,819	1,428,662	327,892
Under \$5,000	2,368,032	1,130,243	2,292,198	170,191	7,391,830	1,545,435	7,303,146	1,385,269	198,741	10,025
\$5,000 under \$10,000	4,109,879	10,700,669	4,108,372	1,604,403	4,141,314	3,108,261	3,883,640	1,559,979	316,171	56,121
\$10,000 under \$15,000	3,268,393	23,902,029	3,268,393	3,584,996	3,258,281	4,745,127	2,980,676	1,222,781	282,661	62,650
\$15,000 under \$20,000	2,237,061	27,535,183	2,237,061	4,130,070	2,232,006	4,946,365	2,002,493	865,224	229,512	48,928
\$20,000 under \$25,000	1,297,884	22,234,979	1,297,884	3,355,658	1,297,884	4,048,375	1,172,514	724,325	115,259	31,608
\$25,000 under \$30,000	762,960	16,863,154	762,960	2,882,931	762,960	3,235,357	612,604	395,762	150,356	43,336
\$30,000 under \$40,000	431,786	12,214,910	431,786	2,380,425	431,786	2,544,950	324,244	222,836	105,007	58,311
\$40,000 or more	70,814	2,705,831	70,814	587,197	70,814	593,928	39,860	23,643	30,954	16,912
Taxable returns, total	14,469,468	117,286,789	14,469,468	18,695,870	14,260,470	23,749,393	12,992,771	5,381,415	1,428,662	327,892
Under \$5,000	2,292,198	1,130,036	2,292,198	170,191	2,172,029	574,592	2,083,345	414,426	198,741	10,025
\$5,000 under \$10,000	4,108,372	10,700,667	4,108,372	1,604,403	4,034,709	3,060,699	3,777,034	1,512,418	316,171	56,121
\$10,000 under \$15,000	3,268,393	23,902,029	3,268,393	3,584,996	3,258,281	4,745,127	2,980,676	1,222,781	282,661	62,650
\$15,000 under \$20,000	2,237,061	27,535,183	2,237,061	4,130,070	2,232,006	4,946,365	2,002,493	865,224	229,512	48,928
\$20,000 under \$25,000	1,297,884	22,234,979	1,297,884	3,355,658	1,297,884	4,048,375	1,172,514	724,325	115,259	31,608
\$25,000 under \$30,000	762,960	16,863,154	762,960	2,882,931	762,960	3,235,357	612,604	395,762	150,356	43,336
\$30,000 under \$40,000	431,786	12,214,910	431,786	2,380,425	431,786	2,544,950	324,244	222,836	105,007	58,311
\$40,000 or more	70,814	2,705,831	70,814	587,197	70,814	593,928	39,860	23,643	30,954	16,912
Nontaxable returns, total	77,341	209	—	—	5,326,406	1,018,404	5,326,406	1,018,404	—	—

NOTE: Detail may not add to totals because of rounding

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Taxable interest		Tax-exempt interest		Dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	20,478,063	335,817,358	19,923,320	327,511,857	7,409,137	4,887,389	64,237	50,654	1,211,446	636,484
Under \$5,000	3,308,703	8,226,730	2,830,361	7,047,140	1,061,313	825,310	*9,965	*20,014	242,493	138,630
\$5,000 under \$10,000	3,810,688	28,824,996	3,740,930	27,003,516	820,150	966,130	—	—	134,380	73,304
\$10,000 under \$15,000	3,865,463	48,068,970	3,858,819	46,573,881	987,993	580,368	*13,287	*9,088	105,991	51,359
\$15,000 under \$20,000	3,005,227	52,165,152	3,005,227	51,233,935	1,048,985	524,753	*11,699	*9,899	138,901	54,702
\$20,000 under \$25,000	2,162,679	48,380,298	2,162,679	47,535,960	893,199	471,087	*13,287	*4,425	149,174	48,376
\$25,000 under \$30,000	1,460,514	40,003,601	1,460,514	39,432,786	782,625	406,092	*3,322	*3,362	151,885	94,544
\$30,000 under \$40,000	1,895,688	65,104,145	1,895,688	64,243,096	1,161,798	665,484	*7,606	*2,325	171,685	84,762
\$40,000 or more	969,102	45,043,467	969,102	44,441,543	653,073	448,166	*5,070	*1,541	116,938	90,808
Taxable returns, total	13,432,166	283,565,347	12,990,364	277,021,310	6,557,954	4,349,159	57,594	32,952	1,108,777	586,309
Under \$5,000	910,324	1,870,934	518,350	1,110,709	797,383	654,352	*3,322	*2,312	202,631	113,374
\$5,000 under \$10,000	1,334,693	10,221,913	1,291,509	9,151,668	572,552	666,837	—	—	89,689	56,856
\$10,000 under \$15,000	1,915,822	24,436,951	1,909,179	23,448,111	707,824	528,560	*13,287	*9,088	87,874	42,887
\$15,000 under \$20,000	2,794,817	48,747,082	2,794,817	47,895,548	992,822	509,442	*11,699	*9,899	138,901	54,702
\$20,000 under \$25,000	2,151,206	48,137,253	2,151,206	47,297,849	889,877	470,227	*13,287	*4,425	149,174	48,376
\$25,000 under \$30,000	1,460,514	40,003,601	1,460,514	39,432,786	782,625	406,092	*3,322	*3,362	151,885	94,544
\$30,000 under \$40,000	1,895,688	65,104,145	1,895,688	64,243,096	1,161,798	665,484	*7,606	*2,325	171,685	84,762
\$40,000 or more	969,102	45,043,467	969,102	44,441,543	653,073	448,166	*5,070	*1,541	116,938	90,808
Nontaxable returns, total	7,045,898	52,252,011	6,932,956	50,490,548	851,183	538,230	*6,644	*17,702	102,669	50,176

Size of adjusted gross income	Unemployment compensation		Total income		Statutory adjustments					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Primary IRA payments		Secondary IRA payments	
							Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	2,637,434	3,697,082	20,478,063	336,732,812	692,016	915,454	677,767	839,479	92,375	75,975
Under \$5,000	229,174	226,858	3,308,703	8,237,937	*13,287	*11,208	*13,287	*11,208	—	—
\$5,000 under \$10,000	663,591	844,921	3,810,688	28,887,871	59,793	62,875	56,471	61,816	*6,644	*1,060
\$10,000 under \$15,000	636,401	969,622	3,865,463	48,175,230	94,210	106,259	94,210	106,259	—	—
\$15,000 under \$20,000	387,051	542,931	3,005,227	52,356,321	135,579	191,170	135,579	186,280	*9,965	*4,890
\$20,000 under \$25,000	274,141	494,566	2,162,679	48,549,989	124,107	169,692	120,785	161,904	*8,151	*7,788
\$25,000 under \$30,000	141,607	208,725	1,460,514	40,142,147	84,026	138,546	84,026	118,765	*15,998	*19,781
\$30,000 under \$40,000	200,687	265,344	1,895,688	65,258,685	113,375	154,540	108,304	131,287	*22,006	*23,252
\$40,000 or more	104,782	144,115	969,102	45,124,632	67,640	81,165	65,104	61,961	29,611	19,204
Taxable returns, total	1,743,872	2,497,261	13,432,166	284,454,038	657,291	888,691	646,364	813,776	85,731	74,915
Under \$5,000	—	—	910,324	1,878,434	*6,644	*7,501	*6,644	*7,501	—	—
\$5,000 under \$10,000	305,576	400,156	1,334,693	10,275,517	46,505	53,604	46,505	53,604	—	—
\$10,000 under \$15,000	369,274	509,868	1,915,822	24,529,426	79,416	92,474	79,416	92,474	—	—
\$15,000 under \$20,000	351,127	478,559	2,794,817	48,938,252	135,579	191,170	135,579	186,280	*9,965	*4,890
\$20,000 under \$25,000	270,819	490,494	2,151,206	48,306,945	124,107	169,692	120,785	161,904	*8,151	*7,788
\$25,000 under \$30,000	141,607	208,725	1,460,514	40,142,147	84,026	138,546	84,026	118,765	*15,998	*19,781
\$30,000 under \$40,000	200,687	265,344	1,895,688	65,258,685	113,375	154,540	108,304	131,287	*22,006	*23,252
\$40,000 or more	104,782	144,115	969,102	45,124,632	67,640	81,165	65,104	61,961	29,611	19,204
Nontaxable returns, total	893,562	1,199,821	7,045,898	52,278,774	34,725	26,763	31,403	25,704	*6,644	*1,060

Footnote(s) at end of table

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Basic standard deduction		Additional standard deduction		Exemptions		Taxable income		Child care credit	
	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All returns, total	20,478,063	85,547,579	334,725	264,744	48,128,606	96,193,846	15,250,780	175,131,042	1,488,728	652,854
Under \$5,000	3,308,703	10,490,865	43,184	35,876	4,862,696	9,713,932	913,646	656,690	—	—
\$5,000 under \$10,000	3,810,688	15,646,685	144,038	113,509	8,346,038	16,672,478	1,644,695	3,694,986	42,261	7,394
\$10,000 under \$15,000	3,865,463	16,423,134	64,622	55,216	9,358,744	18,708,519	3,227,310	14,193,576	312,401	117,648
\$15,000 under \$20,000	3,005,227	12,791,420	31,096	22,279	7,154,426	14,296,561	2,980,468	25,085,225	348,357	166,396
\$20,000 under \$25,000	2,162,679	9,719,349	*8,151	*5,389	5,882,478	11,762,133	2,159,537	26,898,178	316,062	151,381
\$25,000 under \$30,000	1,460,514	6,682,070	*24,760	*17,347	3,979,251	7,955,179	1,460,514	25,349,004	145,114	71,813
\$30,000 under \$40,000	1,895,688	9,008,189	*15,211	*12,930	5,561,490	11,119,684	1,895,688	44,963,343	222,286	100,207
\$40,000 or more	969,102	4,785,868	*3,664	*2,199	2,983,484	5,965,361	969,102	34,290,040	102,247	38,015
Taxable returns, total	13,432,166	54,381,505	218,769	168,130	28,872,636	57,713,961	13,432,166	171,301,751	1,079,749	483,704
Under \$5,000	910,324	1,192,157	*3,322	*2,491	*9,965	*19,599	910,324	656,687	—	—
\$5,000 under \$10,000	1,334,693	4,171,404	79,416	59,064	1,305,073	2,607,654	1,334,693	3,383,791	—	—
\$10,000 under \$15,000	1,915,822	7,139,256	54,656	48,240	3,018,383	6,030,288	1,915,822	11,219,167	*29,896	*10,208
\$15,000 under \$20,000	2,794,817	11,741,891	29,589	20,471	6,207,991	12,405,020	2,794,817	24,579,701	272,295	117,816
\$20,000 under \$25,000	2,151,206	9,660,671	*8,151	*5,389	5,806,999	11,611,175	2,151,206	26,860,018	307,911	145,645
\$25,000 under \$30,000	1,460,514	6,682,070	*24,760	*17,347	3,979,251	7,955,179	1,460,514	25,349,004	145,114	71,813
\$30,000 under \$40,000	1,895,688	9,008,189	*15,211	*12,930	5,561,490	11,119,684	1,895,688	44,963,343	222,286	100,207
\$40,000 or more	969,102	4,785,868	*3,664	*2,199	2,983,484	5,965,361	969,102	34,290,040	102,247	38,015
Nontaxable returns, total	7,045,898	31,166,074	115,956	96,614	19,255,970	38,479,885	1,818,614	3,829,291	408,978	169,150
Size of adjusted gross income	Earned income credit used to offset income tax before credits		Income tax after credits		Income tax withheld		Overpayment refunded		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total	3,116,144	819,921	13,432,166	26,283,459	19,097,036	36,850,692	17,701,191	14,614,078	2,515,235	741,177
Under \$5,000	—	—	910,324	102,057	2,436,603	430,581	2,528,076	888,828	611,215	64,892
\$5,000 under \$10,000	277,400	38,796	1,334,693	506,906	3,433,231	1,872,849	3,501,759	3,162,823	235,849	35,979
\$10,000 under \$15,000	1,479,946	501,576	1,915,822	1,508,312	3,757,965	4,054,775	3,616,326	3,629,317	239,171	71,522
\$15,000 under \$20,000	1,358,798	279,549	2,794,817	3,313,858	2,990,433	5,270,016	2,686,333	2,085,980	315,573	91,805
\$20,000 under \$25,000	—	—	2,151,206	3,900,607	2,156,035	5,299,488	1,926,829	1,462,145	232,527	63,264
\$25,000 under \$30,000	—	—	1,460,514	3,891,577	1,460,514	4,807,725	1,172,302	1,019,106	288,212	102,958
\$30,000 under \$40,000	—	—	1,895,688	7,101,393	1,893,153	8,584,287	1,609,208	1,610,066	286,480	127,172
\$40,000 or more	—	—	969,102	5,958,749	969,102	6,530,972	660,358	755,814	306,208	183,586
Taxable returns, total	1,523,011	416,250	13,432,166	26,283,459	12,831,703	33,642,598	10,907,752	8,100,321	2,515,235	741,177
Under \$5,000	—	—	910,324	102,057	448,591	89,725	299,110	52,559	611,215	64,892
\$5,000 under \$10,000	—	—	1,334,693	506,906	1,245,004	864,025	1,095,522	393,097	235,849	35,979
\$10,000 under \$15,000	312,125	163,584	1,915,822	1,508,312	1,879,282	2,398,334	1,676,651	961,544	239,171	71,522
\$15,000 under \$20,000	1,210,886	252,666	2,794,817	3,313,858	2,788,173	5,077,936	2,475,922	1,855,882	315,573	91,805
\$20,000 under \$25,000	—	—	2,151,206	3,900,607	2,147,884	5,289,595	1,918,679	1,452,253	232,527	63,264
\$25,000 under \$30,000	—	—	1,460,514	3,891,577	1,460,514	4,807,725	1,172,302	1,019,106	288,212	102,958
\$30,000 under \$40,000	—	—	1,895,688	7,101,393	1,893,153	8,584,287	1,609,208	1,610,066	286,480	127,172
\$40,000 or more	—	—	969,102	5,958,749	969,102	6,530,972	660,358	755,814	306,208	183,586
Nontaxable returns, total	1,593,133	403,671	—	—	6,265,333	3,208,094	6,793,439	6,513,758	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTE: Detail may not add to totals because of rounding.

Table 2.1—Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Taxable interest		Tax-exempt interest		Dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	31,972,317	1,971,221,592	28,118,969	1,411,156,238	28,143,380	119,353,426	2,367,255	30,331,769	12,054,362	58,011,209
Under \$5,000	162,917	429,307	56,160	468,828	132,110	237,117	*8,096	*61,274	53,871	156,394
\$5,000 under \$10,000	629,378	4,988,613	253,883	2,121,825	524,734	1,518,351	32,633	225,736	210,317	325,841
\$10,000 under \$15,000	1,068,327	13,492,042	596,785	6,605,292	845,677	2,778,300	51,860	285,447	317,508	722,697
\$15,000 under \$20,000	1,507,281	26,643,685	1,092,935	17,230,847	1,169,896	3,077,191	49,814	201,699	411,654	1,027,505
\$20,000 under \$25,000	1,968,007	44,363,983	1,631,435	33,588,446	1,492,095	3,268,933	60,354	529,881	446,345	1,096,467
\$25,000 under \$30,000	2,321,050	64,068,067	2,075,698	52,207,563	1,839,260	3,555,580	68,734	589,601	1,123,978	1,226,070
\$30,000 under \$35,000	2,612,477	85,073,623	2,360,147	70,580,488	2,186,028	3,642,041	98,663	947,508	635,876	1,226,070
\$35,000 under \$40,000	2,751,647	103,264,584	2,560,479	87,813,802	2,331,855	4,172,633	113,597	787,320	805,230	1,625,368
\$40,000 under \$45,000	2,799,384	119,013,939	2,621,438	101,890,673	2,476,626	4,705,984	128,941	841,158	875,411	1,447,458
\$45,000 under \$50,000	2,625,060	124,630,439	2,470,240	106,386,695	2,334,943	4,420,221	131,155	720,500	858,073	1,646,583
\$50,000 under \$55,000	2,280,561	119,601,103	2,152,356	102,983,672	2,077,562	3,858,598	111,385	905,263	827,134	1,680,023
\$55,000 under \$60,000	1,904,981	109,431,515	1,793,024	93,385,184	1,762,583	3,844,987	105,670	585,850	727,384	1,478,602
\$60,000 under \$75,000	3,793,386	252,980,298	3,559,584	214,007,615	3,586,047	10,287,954	289,781	1,918,853	1,767,457	4,463,856
\$75,000 under \$100,000	2,802,965	239,458,935	2,555,680	185,790,175	2,696,369	13,108,878	379,743	3,236,715	1,562,957	6,095,816
\$100,000 under \$200,000	1,975,980	261,681,537	1,708,222	171,299,216	1,922,937	17,995,299	436,011	5,600,837	1,339,555	9,121,169
\$200,000 under \$500,000	598,105	174,825,846	490,814	93,698,260	594,227	14,582,193	212,304	5,520,116	476,274	9,304,106
\$500,000 under \$1,000,000	113,790	77,215,545	92,991	34,210,698	113,492	7,741,207	54,979	2,860,874	97,819	4,490,458
\$1,000,000 or more	57,021	150,058,531	47,099	36,886,958	56,936	16,557,959	33,537	4,569,730	51,895	10,978,820
Taxable returns, total	30,427,264	1,948,243,841	27,309,595	1,398,045,049	26,862,491	113,977,249	2,285,001	29,332,687	11,542,093	56,310,576
Nontaxable returns, total	1,545,054	22,977,751	809,374	13,111,189	1,280,889	5,376,178	82,254	999,082	512,269	1,700,633

Size of adjusted gross income	State income tax refunds		Alimony received		Business or profession net income less loss		Sales of capital assets net gain less loss		Sales of property other than capital assets net gain less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	14,462,588	8,431,776	218,421	2,294,327	6,748,303	98,532,427	8,470,753	119,118,574	1,007,973	1,219,963
Under \$5,000	34,549	15,436	*1,358	*6,105	67,233	16,042	39,378	120,969	10,672	-82,779
\$5,000 under \$10,000	127,764	47,308	*5,880	*34,373	186,011	835,330	155,597	171,654	17,171	-48,401
\$10,000 under \$15,000	265,339	81,178	17,639	75,800	281,989	1,507,623	216,850	95,070	27,049	-155,862
\$15,000 under \$20,000	502,892	167,237	26,385	169,522	372,520	2,621,326	322,278	726,251	34,514	-85,465
\$20,000 under \$25,000	743,602	233,758	34,427	212,524	430,474	2,914,012	323,326	682,440	38,362	-120,419
\$25,000 under \$30,000	1,064,856	346,886	27,741	318,726	475,448	2,997,568	376,390	516,772	46,889	-9,582
\$30,000 under \$35,000	1,248,528	412,423	17,444	113,199	525,016	3,609,245	446,732	806,470	49,277	-55,377
\$35,000 under \$40,000	1,268,763	450,047	20,789	230,406	511,111	3,698,897	489,654	800,793	54,364	6,398
\$40,000 under \$45,000	1,443,748	536,020	22,615	403,881	475,716	3,519,082	513,338	1,084,734	42,136	-28,404
\$45,000 under \$50,000	1,326,677	518,485	*9,533	*151,612	508,106	4,489,479	558,855	1,532,283	52,412	-51,752
\$50,000 under \$55,000	1,098,102	432,592	*6,812	*164,305	448,904	4,104,256	507,159	1,188,245	47,257	81,646
\$55,000 under \$60,000	986,914	412,795	*1,827	*768	349,952	3,856,858	451,760	1,698,838	47,244	80,105
\$60,000 under \$75,000	1,823,623	855,954	*8,457	*48,455	711,649	9,292,893	1,160,379	4,095,772	124,670	113,096
\$75,000 under \$100,000	1,275,295	823,523	11,559	218,470	611,442	12,953,188	1,159,763	6,939,358	115,056	99,883
\$100,000 under \$200,000	906,709	1,127,769	2,711	59,134	561,572	22,671,728	1,139,312	16,446,836	162,473	461,851
\$200,000 under \$500,000	258,206	808,686	2,814	75,345	180,931	12,457,483	458,581	20,986,528	97,062	357,291
\$500,000 under \$1,000,000	55,818	395,465	255	6,329	32,912	3,527,532	98,477	13,434,055	24,836	217,578
\$1,000,000 or more	31,202	766,214	175	5,373	17,317	3,459,884	52,925	47,791,507	16,528	440,157
Taxable returns, total	14,021,454	8,190,785	203,533	2,186,089	6,180,175	95,901,293	8,054,882	116,814,200	947,354	1,624,865
Nontaxable returns, total	441,134	240,991	14,888	108,239	568,128	2,631,133	415,872	2,304,373	60,618	-404,902

Size of adjusted gross income	Taxable IRA distributions		Pensions and annuities in AGI		Rent and royalty net income		Rent and royalty net loss		Farm rental net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All returns, total	1,282,191	7,805,809	6,039,117	63,173,066	2,631,006	22,971,332	3,851,586	24,850,627	201,638	915,876
Under \$5,000	*10,622	*31,102	23,914	117,765	16,471	64,117	32,082	268,402	*1,359	*5,054
\$5,000 under \$10,000	26,852	88,026	163,325	859,527	72,399	248,238	72,443	563,321	*9,175	*-4,216
\$10,000 under \$15,000	57,789	200,437	326,119	2,110,118	80,547	280,222	118,163	654,690	*6,249	*12,947
\$15,000 under \$20,000	64,618	263,294	332,016	2,659,690	133,294	515,309	173,590	1,040,074	13,929	41,460
\$20,000 under \$25,000	78,741	306,078	339,051	3,039,735	122,233	560,703	182,406	1,102,277	*9,875	*52,861
\$25,000 under \$30,000	77,437	339,748	392,869	3,469,884	111,997	373,242	247,245	1,443,434	10,354	24,846
\$30,000 under \$35,000	102,865	458,701	413,061	4,005,519	165,577	670,991	242,268	1,143,242	8,686	26,878
\$35,000 under \$40,000	76,293	282,082	449,301	3,915,682	159,456	473,228	229,117	1,258,456	11,779	26,964
\$40,000 under \$45,000	98,868	357,755	522,594	4,552,761	154,988	630,046	257,574	1,325,429	8,420	42,986
\$45,000 under \$50,000	123,145	638,838	472,079	3,865,045	168,455	819,687	247,375	1,279,350	17,200	67,577
\$50,000 under \$55,000	88,919	499,341	406,319	3,927,710	145,896	703,544	219,689	1,332,716	14,908	74,075
\$55,000 under \$60,000	69,968	485,909	339,213	3,510,447	129,873	442,628	220,552	1,272,512	12,033	32,484
\$60,000 under \$75,000	170,496	1,048,019	714,118	7,041,314	275,057	1,765,587	492,915	3,116,948	24,205	140,459
\$75,000 under \$100,000	128,250	1,013,639	608,502	8,313,003	325,233	2,596,409	444,630	2,963,311	20,895	97,262
\$100,000 under \$200,000	81,761	1,016,238	398,664	7,085,750	333,106	4,491,799	444,959	3,051,013	21,718	165,202
\$200,000 under \$500,000	19,894	471,236	105,397	2,425,946	173,481	4,374,872	169,441	1,723,285	8,288	81,745
\$500,000 under \$1,000,000	3,650	138,654	21,635	1,134,889	39,255	1,800,677	37,806	682,684	1,667	16,504
\$1,000,000 or more	2,022	166,711	10,939	1,138,279	23,688	2,160,033	19,332	629,484	897	10,788
Taxable returns, total	1,217,068	7,518,476	5,674,446	60,781,929	2,455,501	21,943,778	3,602,935	22,448,992	193,701	920,094
Nontaxable returns, total	65,123	287,332	364,671	2,391,137	175,504	1,027,554	248,651	2,401,635	7,937	-4,218

Footnote(s) at end of table

Table 2.1—Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Partnership and S Corporation net income less loss		Estate and trust net income less loss		Farm net income less loss		Unemployment compensation	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
All returns, total	4,049,520	74,096,325	303,603	3,335,844	681,211	-1,748,804	1,978,158	3,902,777
Under \$5,000	25,953	-128,033	*2,420	*1,299	8,713	-127,652	*6,942	*9,867
\$5,000 under \$10,000	68,585	-365,295	8,080	24,816	13,489	-139,258	23,394	44,242
\$10,000 under \$15,000	75,017	-118,277	*7,729	*15,478	36,115	-58,556	73,891	182,686
\$15,000 under \$20,000	117,764	-266,346	*8,421	*30,073	33,298	-296,933	106,255	223,814
\$20,000 under \$25,000	128,296	-279,124	*10,344	*16,200	39,323	-137,580	132,126	292,543
\$25,000 under \$30,000	161,765	166,917	11,577	16,032	41,255	-64,229	180,962	418,234
\$30,000 under \$35,000	186,845	479,216	14,829	51,205	51,436	-37,868	210,550	407,470
\$35,000 under \$40,000	188,825	306,482	22,850	99,504	45,606	-51,160	269,501	487,019
\$40,000 under \$45,000	201,024	394,458	*11,872	*31,156	55,278	-62,467	204,720	407,340
\$45,000 under \$50,000	210,680	443,221	12,577	4,540	55,319	-64,277	186,377	368,968
\$50,000 under \$55,000	209,167	833,504	12,097	-19,697	40,007	-161,348	153,633	269,294
\$55,000 under \$60,000	148,707	819,527	10,884	40,391	36,324	50,982	97,415	169,850
\$60,000 under \$75,000	466,652	2,016,371	27,284	74,932	70,880	116,224	197,036	345,009
\$75,000 under \$100,000	557,270	3,659,850	44,268	325,513	59,622	67,527	94,116	171,550
\$100,000 under \$200,000	768,863	12,625,152	49,844	520,490	57,730	-245,107	34,021	79,512
\$200,000 under \$500,000	394,550	16,428,240	33,443	568,278	26,855	-226,202	6,667	23,643
\$500,000 under \$1,000,000	90,049	9,889,006	9,221	422,320	6,002	-97,264	369	1,096
\$1,000,000 or more	49,507	27,191,455	5,862	1,113,313	3,961	-213,638	184	639
Taxable returns, total	3,846,947	76,779,467	289,274	3,305,224	617,583	-1,331,577	1,881,390	3,654,335
Nontaxable returns, total	202,572	-2,683,142	14,329	30,620	63,628	-417,226	96,768	248,442

Size of adjusted gross income	Social Security benefits in AGI		Foreign earned income exclusion		Other income less loss		Total statutory adjustments	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
All returns, total	2,170,660	8,903,082	43,494	2,235,853	3,178,414	15,461,653	5,058,274	16,405,359
Under \$5,000	—	—	*857	*60,003	9,885	17,392	23,817	40,967
\$5,000 under \$10,000	*4,522	*18,943	*857	*59,260	45,965	75,965	94,337	114,146
\$10,000 under \$15,000	*4,521	*18,915	*999	*40,132	83,795	171,396	176,623	273,940
\$15,000 under \$20,000	*13,242	*18,907	*4,770	*217,524	100,173	174,887	237,323	343,362
\$20,000 under \$25,000	93,975	136,505	*2,640	*160,486	146,993	270,013	296,533	491,264
\$25,000 under \$30,000	155,181	274,705	*1,236	*38,944	177,949	238,789	391,911	692,370
\$30,000 under \$35,000	215,097	558,717	*2,786	*74,620	201,902	166,433	452,303	794,579
\$35,000 under \$40,000	224,816	727,650	*274	*25,038	208,543	358,374	413,164	840,521
\$40,000 under \$45,000	219,018	834,788	*2,057	*93,932	265,651	567,592	460,213	846,692
\$45,000 under \$50,000	166,953	751,390	*1,168	*21,746	246,593	589,229	414,088	618,706
\$50,000 under \$55,000	143,949	637,055	3,498	102,102	128,758	383,789	216,918	540,873
\$55,000 under \$60,000	105,836	541,230	*346	*24,540	220,141	440,182	200,713	538,544
\$60,000 under \$75,000	229,855	1,108,949	4,866	205,877	390,371	1,102,456	436,538	1,492,989
\$75,000 under \$100,000	263,347	1,288,051	5,788	312,681	349,567	1,265,793	489,997	1,995,305
\$100,000 under \$200,000	222,081	1,280,397	7,178	476,414	326,077	2,875,500	507,430	3,630,308
\$200,000 under \$500,000	80,638	506,722	3,384	251,398	135,102	2,424,185	190,147	2,264,310
\$500,000 under \$1,000,000	17,976	128,475	548	49,939	31,938	1,228,597	37,458	572,512
\$1,000,000 or more	9,652	71,683	244	21,218	19,013	3,111,082	18,762	313,971
Taxable returns, total	2,125,485	8,733,881	38,633	1,927,738	3,039,174	15,042,420	4,778,073	16,014,965
Nontaxable returns, total	45,175	169,201	4,861	308,115	139,240	419,233	280,202	390,394

Size of adjusted gross income	Itemized deductions							
	Total	Medical and dental expense deduction				Taxes paid deduction		
		Number of returns	Amount	Prescriptions and medical care		Miscellaneous medical expenses		Total
				Number of returns	Amount	Number of returns	Amount	
	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)
All returns, total	430,977,999	5,128,338	20,920,881	5,067,618	26,733,953	3,009,674	6,113,315	31,392,533
Under \$5,000	1,466,812	94,424	552,804	88,693	331,128	36,573	239,247	136,024
\$5,000 under \$10,000	5,544,711	400,031	2,372,448	389,779	2,125,897	195,102	485,738	527,558
\$10,000 under \$15,000	8,915,497	603,631	2,834,859	599,110	2,600,314	308,643	802,939	1,313,263
\$15,000 under \$20,000	12,176,552	669,876	2,603,215	665,355	2,842,599	369,627	643,124	1,433,396
\$20,000 under \$25,000	16,118,559	659,832	2,200,298	650,322	2,760,284	401,833	550,600	1,907,311
\$25,000 under \$30,000	19,669,661	556,578	1,751,821	553,496	2,651,612	315,816	245,223	2,264,389
\$30,000 under \$35,000	23,305,359	469,092	1,283,930	466,352	2,123,191	306,404	303,559	2,590,681
\$35,000 under \$40,000	25,895,964	390,297	1,204,617	385,833	1,970,938	244,604	328,182	2,721,378
\$40,000 under \$45,000	27,916,499	320,473	925,545	315,743	1,630,146	208,119	317,884	2,777,300
\$45,000 under \$50,000	28,741,748	272,679	1,162,608	270,042	1,781,881	173,389	348,423	2,607,544
\$50,000 under \$55,000	25,948,239	195,693	786,308	193,970	1,147,645	130,562	407,984	2,264,593
\$55,000 under \$60,000	23,019,000	109,973	429,430	108,136	696,804	68,482	206,808	1,895,234
\$60,000 under \$75,000	52,096,139	216,437	1,264,577	214,601	1,832,072	146,034	510,468	3,778,271
\$75,000 under \$100,000	48,788,332	110,744	723,209	108,907	1,195,256	67,907	230,201	2,791,171
\$100,000 under \$200,000	51,329,803	49,045	556,286	47,844	698,247	30,582	323,443	1,969,109
\$200,000 under \$500,000	29,131,280	8,442	209,624	8,367	255,016	5,339	135,053	594,545
\$500,000 under \$1,000,000	11,031,212	912	47,936	892	64,562	602	29,432	113,253
\$1,000,000 or more	19,862,631	178	11,366	178	26,364	55	5,006	56,666
Taxable returns, total	406,692,432	4,180,760	13,116,169	4,136,024	20,398,984	2,528,415	3,689,380	30,057,619
Nontaxable returns, total	24,285,567	947,579	7,804,712	931,594	6,334,969	481,259	2,423,935	1,334,914

Footnote(s) at end of table

Table 2.1—Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued									
	Taxes paid deduction—Continued								Interest paid deduction	
	State and local income taxes		Real estate taxes		Personal property taxes		Other taxes		Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)
All returns, total	28,415,164	50,904,948	27,998,636	45,210,996	10,709,935	3,008,468	6,663,321	2,175,240	29,437,622	193,188,034
Under \$5,000	57,690	37,608	109,852	135,253	34,837	8,404	*7,410	*760	120,103	636,183
\$5,000 under \$10,000	271,490	103,088	439,346	522,155	160,225	28,003	75,564	17,459	425,206	1,837,505
\$10,000 under \$15,000	621,935	287,725	795,871	927,975	286,494	51,259	163,159	46,304	805,011	3,098,455
\$15,000 under \$20,000	1,055,584	720,149	1,180,750	1,275,297	440,209	83,980	249,690	50,777	1,277,829	5,144,022
\$20,000 under \$25,000	1,548,239	1,254,592	1,558,816	1,761,683	545,021	101,707	388,196	108,501	1,747,576	7,289,671
\$25,000 under \$30,000	1,939,206	2,075,733	1,922,812	2,143,753	747,923	158,337	500,658	108,531	2,147,066	9,342,453
\$30,000 under \$35,000	2,154,161	2,772,290	2,255,749	2,649,246	832,218	172,098	568,794	143,500	2,448,952	11,722,489
\$35,000 under \$40,000	2,338,640	3,503,382	2,384,957	2,907,969	882,885	188,803	616,004	134,139	2,589,188	13,050,036
\$40,000 under \$45,000	2,397,599	4,223,984	2,462,488	3,233,848	909,762	195,528	587,585	150,850	2,656,368	13,830,509
\$45,000 under \$50,000	2,267,596	4,489,618	2,358,715	3,251,544	862,454	212,043	512,561	158,051	2,486,526	14,059,024
\$50,000 under \$55,000	1,964,810	4,426,928	2,056,447	2,936,238	791,064	207,939	498,525	154,367	2,203,183	12,515,291
\$55,000 under \$60,000	1,640,674	4,092,324	1,734,543	2,639,261	638,133	178,805	422,231	137,511	1,823,972	11,254,415
\$60,000 under \$75,000	3,304,402	9,832,395	3,516,630	5,965,630	1,414,126	436,589	866,775	287,404	3,609,206	25,505,685
\$75,000 under \$100,000	2,452,830	9,818,504	2,624,904	5,524,179	1,075,971	362,732	627,973	241,810	2,611,385	22,715,098
\$100,000 under \$200,000	1,734,873	11,912,321	1,846,984	5,357,690	786,792	325,320	395,822	198,135	1,801,694	22,470,771
\$200,000 under \$500,000	516,470	8,754,597	567,065	2,604,322	235,766	164,781	139,427	135,606	533,825	11,307,466
\$500,000 under \$1,000,000	98,721	4,193,347	108,335	750,761	43,815	46,797	27,820	38,740	100,213	3,393,967
\$1,000,000 or more	50,246	8,406,362	54,373	624,193	22,239	85,343	15,127	62,793	50,218	5,012,992
Taxable returns, total	25,643,936	80,174,365	26,810,943	43,321,938	10,265,578	2,903,528	6,456,172	2,109,793	28,247,963	183,222,704
Nontaxable returns, total	771,228	730,583	1,187,694	1,889,058	444,358	104,940	207,149	65,447	1,189,559	9,963,329

Size of adjusted gross income	Itemized deductions—Continued									
	Interest paid deduction—Continued								Investment interest paid	
	Total		Paid to financial institutions		Paid to individuals		Deductible points		Investment interest paid	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)
All returns, total	26,367,375	189,466,752	25,684,039	162,714,380	2,470,818	6,752,372	2,359,528	3,810,261	1,716,230	11,687,574
Under \$5,000	106,237	591,249	104,730	575,774	*4,373	*15,474	*3,432	*2,315	6,306	23,390
\$5,000 under \$10,000	352,201	1,691,620	343,627	1,639,817	21,578	51,803	14,000	16,623	18,185	48,453
\$10,000 under \$15,000	648,169	2,841,767	619,398	2,674,242	60,877	167,525	34,271	45,861	22,715	54,210
\$15,000 under \$20,000	1,072,534	4,803,111	1,043,763	4,600,861	97,845	202,250	60,369	61,507	41,476	42,069
\$20,000 under \$25,000	1,483,732	6,643,340	1,426,625	6,289,554	142,971	353,786	116,200	149,450	49,944	106,553
\$25,000 under \$30,000	1,861,170	8,625,939	1,806,048	8,299,046	152,571	326,893	126,046	140,177	42,886	72,669
\$30,000 under \$35,000	2,173,408	10,818,841	2,098,472	10,291,166	194,258	527,674	162,788	182,052	68,569	140,938
\$35,000 under \$40,000	2,342,450	12,016,745	2,278,345	11,501,197	205,929	515,548	217,829	285,433	64,369	136,427
\$40,000 under \$45,000	2,400,459	12,720,832	2,330,365	12,168,524	233,920	552,308	199,974	298,731	78,242	124,786
\$45,000 under \$50,000	2,285,593	12,994,395	2,227,814	12,549,382	195,696	445,014	164,236	217,190	75,068	155,129
\$50,000 under \$55,000	2,021,582	11,380,095	1,977,769	10,924,799	189,662	455,297	179,277	234,245	90,542	264,684
\$55,000 under \$60,000	1,670,348	10,345,618	1,627,504	9,883,935	161,784	461,683	148,537	233,391	77,342	155,961
\$60,000 under \$75,000	3,327,973	22,481,374	3,265,789	21,697,143	337,409	784,232	307,023	514,019	175,201	371,207
\$75,000 under \$100,000	2,402,115	20,383,317	2,357,594	19,746,883	230,548	636,434	325,921	612,708	243,964	865,957
\$100,000 under \$200,000	1,632,159	19,393,430	1,599,894	18,560,263	182,630	833,167	218,364	530,319	370,135	1,860,604
\$200,000 under \$500,000	469,891	8,544,187	461,267	8,256,510	48,447	287,677	66,645	229,311	207,093	2,279,807
\$500,000 under \$1,000,000	80,596	1,988,330	79,055	1,909,547	7,288	78,784	10,223	38,185	52,724	1,290,379
\$1,000,000 or more	36,757	1,202,561	35,979	1,145,737	3,032	56,824	4,390	18,746	31,468	3,694,351
Taxable returns, total	25,283,894	161,157,848	24,629,218	154,727,624	2,372,364	6,430,224	2,286,381	3,666,725	1,639,202	10,488,507
Nontaxable returns, total	1,083,481	8,308,904	1,054,821	7,986,756	98,453	322,148	73,145	143,536	77,028	1,199,067

Size of adjusted gross income	Itemized deductions—Continued									
	Interest paid deduction—Continued				Contributions deduction					
	Personal interest paid		Personal interest deduction		Total		Cash contributions		Other than cash contributions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)
All returns, total	25,040,009	39,363,790	25,020,567	6,221,446	29,132,486	55,459,205	26,617,194	46,553,194	11,227,767	7,550,914
Under \$5,000	75,972	91,228	75,972	19,230	94,010	40,315	92,652	35,356	19,690	4,419
\$5,000 under \$10,000	286,881	325,147	286,881	80,809	439,678	357,316	428,214	320,898	108,819	28,136
\$10,000 under \$15,000	578,119	684,352	578,119	156,617	820,481	898,415	798,253	796,353	214,013	75,992
\$15,000 under \$20,000	1,028,607	1,104,470	1,027,248	237,335	1,280,185	1,388,057	1,265,412	1,218,193	382,421	130,320
\$20,000 under \$25,000	1,418,628	1,808,042	1,418,628	390,328	1,666,447	1,990,586	1,643,725	1,723,925	558,843	224,031
\$25,000 under \$30,000	1,793,448	2,394,326	1,789,676	503,668	2,033,644	2,247,469	1,992,087	1,985,330	702,995	241,554
\$30,000 under \$35,000	2,102,720	2,728,859	2,102,720	580,659	2,322,146	2,780,518	2,258,376	2,417,272	796,395	302,119
\$35,000 under \$40,000	2,254,977	2,966,994	2,254,977	611,430	2,494,612	2,986,002	2,438,118	2,623,890	910,987	352,518
\$40,000 under \$45,000	2,343,209	3,339,422	2,343,209	686,160	2,582,065	3,254,832	2,535,860	2,901,380	930,818	331,671
\$45,000 under \$50,000	2,222,013	3,345,129	2,221,100	692,310	2,432,689	3,388,645	2,389,365	3,065,827	931,857	320,614
\$50,000 under \$55,000	1,994,626	3,095,572	1,992,902	636,266	2,160,974	3,164,914	2,116,543	2,780,835	889,108	354,038
\$55,000 under \$60,000	1,620,604	2,557,624	1,618,173	519,445	1,802,588	2,814,173	1,776,405	2,498,146	739,252	314,206
\$60,000 under \$75,000	3,190,621	5,502,624	3,188,076	1,139,085	3,639,203	6,313,353	3,583,219	5,529,660	1,616,230	736,450
\$75,000 under \$100,000	2,234,329	4,163,436	2,232,492	853,116	2,698,785	5,807,027	2,672,401	4,898,654	1,268,679	822,624
\$100,000 under \$200,000	1,414,267	3,197,577	1,410,931	686,421	1,901,649	6,717,001	1,886,539	5,626,561	867,935	926,671
\$200,000 under \$500,000	381,795	1,211,174	381,219	254,162	577,210	4,227,478	574,715	3,531,616	229,189	523,490
\$500,000 under \$1,000,000	66,680	374,640	66,430	77,072	110,391	2,076,807	109,836	1,565,193	40,444	346,835
\$1,000,000 or more	32,514	473,172	32,414	97,334	55,728	5,006,296	55,471	3,034,104	20,092	1,515,226
Taxable returns, total	24,214,688	38,070,719	24,195,299	7,909,625	28,011,440	53,905,303	27,520,315	45,248,156	10,948,072	7,434,654
Nontaxable returns, total	825,321	1,293,070	825,267	311,822	1,121,046	1,553,902	1,096,878	1,305,038	279,695	116,260

Footnote(s) at end of table

Table 2.1—Returns with Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued									
	Contributions deduction—Continued		Moving expenses deduction		Casualty or theft loss deduction		Net limited miscellaneous deductions			
	Carryover from prior years		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Unreimbursed employee business expense	
	Number of returns	Amount							Number of returns	Amount
	(86)	(87)	(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)
All returns, total	177,224	1,355,097	907,719	3,943,073	189,894	1,744,217	7,506,049	22,401,141	8,305,673	20,708,072
Under \$5,000	*3,219	*540	—	—	*1,358	*28,310	58,482	43,783	*9,088	*13,167
\$5,000 under \$10,000	*9,008	*8,282	*7,238	*18,771	*10,618	*34,781	126,675	238,540	58,412	103,377
\$10,000 under \$15,000	12,125	26,070	24,546	75,981	14,452	138,807	208,630	495,182	131,754	249,646
\$15,000 under \$20,000	18,894	39,543	23,930	71,340	14,922	151,803	334,753	627,719	257,091	480,319
\$20,000 under \$25,000	12,745	42,629	60,285	134,601	22,718	67,951	535,417	1,123,175	475,114	957,896
\$25,000 under \$30,000	14,887	20,586	65,703	215,741	19,967	124,755	564,862	1,359,707	607,842	1,210,079
\$30,000 under \$35,000	*11,590	*61,128	75,787	213,303	16,347	102,439	653,705	1,387,510	637,480	1,281,099
\$35,000 under \$40,000	9,501	9,594	60,885	191,072	16,531	126,912	739,783	1,528,295	791,421	1,525,828
\$40,000 under \$45,000	11,597	21,781	73,271	212,562	19,773	332,138	662,820	1,484,487	798,660	1,426,066
\$45,000 under \$50,000	*6,924	*2,204	51,263	184,336	*14,492	*117,785	593,365	1,475,611	746,639	1,553,569
\$50,000 under \$55,000	19,881	30,400	51,423	158,380	*4,383	*37,363	532,164	1,488,355	688,379	1,523,944
\$55,000 under \$60,000	5,761	1,821	41,168	150,590	*2,328	*26,481	422,881	1,229,077	549,895	1,313,520
\$60,000 under \$75,000	13,372	47,242	121,316	605,050	16,661	165,981	896,795	2,481,441	1,134,937	2,671,645
\$75,000 under \$100,000	7,687	85,749	132,844	843,564	*8,240	*77,305	635,436	2,594,982	787,084	2,651,733
\$100,000 under \$200,000	10,623	163,770	96,201	667,059	5,462	150,078	413,635	2,669,754	484,705	2,642,301
\$200,000 under \$500,000	6,337	172,372	18,884	171,485	1,319	40,768	107,962	1,241,716	126,147	912,405
\$500,000 under \$1,000,000	1,740	164,779	2,345	21,310	110	17,365	12,811	374,295	15,317	106,672
\$1,000,000 or more	1,333	456,966	633	7,928	*13	*3,195	5,873	557,513	5,706	84,805
Taxable returns, total	147,934	1,222,493	878,862	3,802,260	149,260	942,252	7,171,875	21,420,588	8,138,857	20,263,783
Nontaxable returns, total	29,290	132,604	28,858	140,813	40,433	801,964	334,174	980,553	166,816	444,288

Size of adjusted gross income	Itemized deductions—Continued						Exemptions		Taxable income	
	Net limited miscellaneous deductions—Continued				Non-limited miscellaneous deductions		Number of exemptions	Amount	Number of returns	Amount
	Tax preparation fees		Mutual fund expense		Number of returns	Amount				
	Number of returns	Amount	Number of returns	Amount						
		(96)	(97)	(98)	(99)	(100)	(101)	(102)	(103)	(104)	(105)
All returns, total	8,768,149	2,217,545	20,275	4,250	709,509	2,023,797	88,346,078	172,561,852	30,568,403	1,377,748,404
Under \$5,000	50,386	11,002	—	—	*3,016	*3,391	281,668	561,714	*10,401	*10,866
\$5,000 under \$10,000	132,375	39,705	—	—	11,335	14,644	896,479	1,784,752	214,791	455,746
\$10,000 under \$15,000	266,254	33,911	—	—	28,027	60,535	1,875,733	3,742,090	679,158	2,824,029
\$15,000 under \$20,000	358,723	53,660	*1,507	*188	40,929	60,194	3,016,248	6,020,972	1,307,532	9,630,739
\$20,000 under \$25,000	526,555	74,235	—	—	46,530	85,793	4,276,320	8,538,333	1,860,539	20,218,642
\$25,000 under \$30,000	603,761	81,615	*3,014	*650	54,210	141,360	5,425,664	10,839,545	2,266,637	33,940,523
\$30,000 under \$35,000	685,492	103,143	*3,448	*553	58,002	78,036	6,521,066	13,032,024	2,587,156	49,043,821
\$35,000 under \$40,000	738,868	99,579	—	—	37,552	74,738	7,496,504	14,984,363	2,739,378	62,488,463
\$40,000 under \$45,000	771,484	117,974	*1,724	*190	67,952	72,216	7,958,218	15,907,642	2,786,212	75,455,195
\$45,000 under \$50,000	700,420	108,402	*3,448	*705	77,726	242,483	7,775,734	15,539,128	2,614,081	80,472,869
\$50,000 under \$55,000	648,544	107,296	*3,448	*21	53,946	72,157	6,961,105	13,917,877	2,274,410	79,783,607
\$55,000 under \$60,000	494,006	100,921	—	—	37,456	66,931	5,803,887	11,602,647	1,901,100	74,856,972
\$60,000 under \$75,000	1,054,890	224,670	—	—	87,894	238,036	11,502,502	22,996,058	3,788,253	178,031,739
\$75,000 under \$100,000	840,602	256,452	—	—	45,087	79,922	8,342,931	16,680,165	2,798,824	174,039,143
\$100,000 under \$200,000	637,406	359,279	*2,981	*783	42,510	305,385	5,933,877	11,860,369	1,972,479	198,641,310
\$200,000 under \$500,000	205,281	279,686	*486	*101	13,313	273,436	1,795,939	3,590,198	597,020	142,241,336
\$500,000 under \$1,000,000	36,104	87,755	132	352	2,344	69,889	326,341	652,394	113,539	65,598,298
\$1,000,000 or more	16,999	78,261	89	708	1,679	84,650	155,864	311,582	56,892	130,013,106
Taxable returns, total	8,415,352	2,116,133	18,764	4,051	670,852	1,773,532	82,445,045	164,784,974	30,409,156	1,377,125,052
Nontaxable returns, total	352,797	101,412	*1,511	*199	38,656	250,265	3,901,033	7,776,878	159,247	621,352

Size of adjusted gross income	Income tax before credits		Total tax credits		Income tax after credits		Alternative minimum tax		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(106)	(107)	(108)	(109)	(110)	(111)	(112)	(113)	(114)	(115)
All returns, total	30,579,607	303,389,573	3,945,976	3,027,538	30,418,595	300,362,036	98,825	742,180	30,427,264	301,104,216
Under \$5,000	13,274	3,704	—	—	13,274	3,704	9	3,358	13,275	7,062
\$5,000 under \$10,000	217,805	82,354	*8,894	*962	210,270	81,392	1,899	1,635	210,662	83,027
\$10,000 under \$15,000	683,530	441,612	77,584	25,372	631,312	416,240	967	476	632,279	416,716
\$15,000 under \$20,000	1,307,532	1,466,183	269,061	61,404	1,254,268	1,404,779	164	2,125	1,254,433	1,406,905
\$20,000 under \$25,000	1,860,539	3,041,412	150,191	63,447	1,839,161	2,977,966	381	782	1,839,166	2,978,747
\$25,000 under \$30,000	2,266,638	5,321,772	198,390	77,732	2,255,879	5,244,041	2,239	11,900	2,256,594	5,255,941
\$30,000 under \$35,000	2,587,156	7,914,127	270,803	99,418	2,584,558	7,814,709	1,914	4,045	2,584,636	7,818,754
\$35,000 under \$40,000	2,739,378	10,232,938	302,153	128,721	2,738,527	10,104,217	2,303	5,022	2,738,621	10,109,239
\$40,000 under \$45,000	2,787,126	12,483,321	357,759	152,542	2,782,050	12,330,779	2,114	17,526	2,782,787	12,348,305
\$45,000 under \$50,000	2,614,081	13,518,400	324,920	129,594	2,611,612	13,388,807	1,730	2,275	2,612,570	13,391,082
\$50,000 under \$55,000	2,274,411	13,965,700	335,889	139,424	2,273,919	13,826,276	7,482	19,520	2,274,630	13,845,796
\$55,000 under \$60,000	1,901,100	13,888,187	266,746	119,161	1,899,830	13,769,026	1,266	5,381	1,899,967	13,774,407
\$60,000 under \$75,000	3,788,253	35,542,604	536,373	256,999	3,787,704	35,285,605	9,070	27,635	3,788,975	35,313,240
\$75,000 under \$100,000	2,798,824	38,429,828	406,874	309,321	2,796,793	38,120,507	14,613	33,546	2,797,370	38,154,053
\$100,000 under \$200,000	1,972,479	51,130,219	277,772	356,479	1,972,135	50,773,740	28,654	147,660	1,973,422	50,921,400
\$200,000 under \$500,000	597,047	40,732,637	113,573	395,071	596,940	40,337,566	16,214	161,438	597,303	40,499,004
\$500,000 under \$1,000,000	113,540	18,639,623	29,520	221,196	113,496	18,418,427	4,881	123,227	113,639	18,541,653
\$1,000,000 or more	56,893	36,554,952	19,475	490,697	56,868	36,064,255	2,727	174,630	56,937	36,238,885
Taxable returns, total	30,420,356	303,290,079	3,786,726	2,928,043	30,418,595	300,362,036	98,625	742,180	30,427,264	301,104,216
Nontaxable returns, total	159,251	99,494	159,251	99,494	—	—	—	—	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to totals because of rounding.

Table 2.2—Returns with Itemized Deductions: Sources of Income, Adjustments, Deductions, Credits, and Tax Items, by Marital Status
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns			Joint returns of husbands and wives			Separate returns of husbands and wives			Returns of heads of households			Returns of surviving spouses			Returns of single persons		
	Number of returns	Amount	(1)	Number of returns	Amount	(2)	Number of returns	Amount	(3)	Number of returns	Amount	(4)	Number of returns	Amount	(5)	Number of returns	Amount	(6)
Adjusted gross income less deficit	31,972,317	1,971,221,592	22,492,686	22,492,686	1,574,265,628	660,056	660,056	29,886,133	1,846,989	72,297,311	37,245	1,694,086	6,935,341	293,078,434				
Salaries and wages	28,118,969	1,411,156,238	20,648,236	20,648,236	1,153,588,513	580,124	580,124	19,129,767	1,716,418	56,770,641	29,028	906,039	5,145,163	180,761,278				
Taxable interest	28,143,380	119,353,426	20,225,209	20,225,209	81,224,779	467,768	467,768	2,181,616	4,211,616	2,855,222	37,245	223,376	5,991,542	32,868,438				
Tax-exempt interest	2,367,255	30,331,769	1,596,290	20,027,061	35,353	35,353	35,353	68,212	64,321	504,932	4,820	18,942	666,471	9,102,621				
Dividends	12,054,362	58,011,209	8,711,884	37,994,761	1,354,795	172,394	172,394	1,354,795	478,377	1,738,457	9,311	50,467	2,682,395	16,872,729				
State income tax refunds	14,462,988	8,431,776	10,626,067	6,517,944	230,398	230,398	230,398	230,398	865,960	392,641	10,008	9,820	2,730,356	1,387,141				
Alimony received	218,421	2,294,327	26,730	129,900	28,231	28,231	28,231	28,231	96,048	1,055,709	—	—	—	1,080,519				
Business or profession	5,140,243	108,017,254	4,240,426	89,850,495	71,481	71,481	71,481	1,785,069	160,836	3,017,707	*1,445	*5,650	666,055	13,358,332				
Net income	1,608,060	9,484,827	1,314,509	7,706,452	11,268	11,268	11,268	107,929	55,572	253,720	*854	*2,643	225,856	1,414,083				
Sales of capital assets	5,862,365	123,957,886	4,279,748	94,499,296	87,279	87,279	87,279	3,155,596	187,494	3,216,101	4,141	59,283	1,303,703	23,027,611				
Net gain	2,608,388	4,839,312	1,870,868	3,529,080	36,731	36,731	36,731	42,142	104,922	173,886	*9	*26	595,858	1,094,178				
Sales of property other than capital assets	1,282,191	1,219,963	802,117	1,038,348	16,001	16,001	16,001	-2,387	32,980	71,459	2,211	115	154,864	112,430				
Taxable IRA distribution	6,039,117	7,805,909	944,336	6,182,957	21,578	21,578	21,578	944,336	58,083	387,354	*1,860	*10,780	256,333	1,097,597				
Pensions and annuities in AGI	2,631,006	22,971,332	1,999,162	17,913,008	42,197	42,197	42,197	306,036	90,604	598,862	2,137	65,408	496,906	4,088,018				
Net loss	3,851,586	24,850,627	2,961,601	19,836,785	41,888	41,888	41,888	186,203	171,784	944,827	6,609	35,325	669,705	3,845,488				
Partnership and S Corporation net income less loss	201,638	1,319,609	563,002	4,467	4,467	4,467	4,467	988,379	121,988	1,893,452	*702	*119	52,990	337,207				
Estate and trust net income less loss	4,049,520	74,096,325	3,180,318	62,368,096	70,569	70,569	70,569	1,598,654	93,198	1,942,027	3,162	114,694	96,862	8,726,180				
Farm net income less loss	303,603	3,335,844	193,198	1,598,654	3,164	3,164	3,164	-96,160	9,148	194,207	*1,187	*14,097	67,958	1,292,420				
Unemployment compensation	681,211	-1,748,804	594,015	-1,270,386	8,905	8,905	8,905	70,000	85,280	153,370	*1,724	*2,956	275,946	495,968				
Social Security benefits in AGI	1,978,158	3,902,777	1,588,248	3,180,482	26,961	26,961	26,961	134,004	34,701	98,505	8,675	21,234	739,627	2,504,206				
Other income less loss	2,170,660	8,903,082	1,350,343	6,165,133	37,315	37,315	37,315	127,098	686,400	1,333,690	*1,839	*6,727	518,701	2,262,834				
Total statutory adjustments	3,178,414	15,461,653	2,490,984	12,268,239	39,793	39,793	39,793	261,443	243,203	746,510	7,994	14,214	1,009,240	3,208,740				
IRA payments, primary taxpayer	5,058,274	16,405,359	3,727,468	12,174,452	70,363	70,363	70,363	65,871	131,013	199,087	*6,656	*10,449	574,661	887,006				
IRA payments, secondary taxpayer	2,452,963	3,743,170	1,699,402	2,580,757	41,231	41,231	41,231	—	—	—	—	—	—	—				
Payments to a Keogh plan	1,330,019	1,723,082	1,330,019	1,723,082	6,144	6,144	6,144	74,485	28,252	154,522	*145	*2,207	89,656	702,241				
Alimony paid	663,929	5,786,172	539,732	4,852,717	14,196	14,196	14,196	101,367	38,874	349,203	—	—	125,798	1,321,536				
Total itemized deductions	371,381	3,347,686	192,512	1,575,580	660,056	660,056	660,056	6,330,790	1,846,989	19,008,311	37,245	478,545	6,935,341	71,839,193				
Medical and dental expense deduction	31,972,317	430,977,999	22,492,686	333,321,161	660,056	660,056	660,056	232,567	323,344	723,529	11,993	33,230	1,395,250	9,619,182				
Taxes paid deduction	5,128,338	20,920,881	3,302,230	10,312,373	95,520	95,520	95,520	1,885,111	1,809,279	5,308,994	37,109	139,608	6,605,472	20,285,562				
Interest paid deduction	31,392,533	131,299,652	22,318,890	103,680,377	621,782	621,782	621,782	2,665,827	1,765,545	9,476,482	33,843	224,302	5,556,962	25,662,085				
Contributions deduction	29,132,486	55,459,205	21,012,844	43,422,477	546,299	546,299	546,299	925,059	1,681,587	1,994,497	34,227	49,676	5,857,528	9,067,496				
Casualty or theft loss deduction	189,694	1,744,217	118,794	1,187,944	4,762	4,762	4,762	24,782	13,840	29,709	*4,522	*14,355	47,776	353,796				
Moving expense deduction	907,719	3,943,073	659,616	3,086,365	18,628	18,628	18,628	74,445	37,775	141,410	—	—	191,701	640,853				
Total miscellaneous deductions	8,031,155	24,424,938	5,308,076	16,340,657	177,171	177,171	177,171	522,998	545,040	1,333,690	7,282	17,374	1,993,588	6,210,219				
Taxable income	30,568,403	1,377,746,404	21,708,058	1,099,019,770	629,882	629,882	629,882	21,672,461	1,759,829	45,346,194	30,178	1,017,787	6,440,456	210,690,191				
Total tax credits	3,945,976	3,027,538	3,302,001	2,460,756	31,332	31,332	31,332	81,732	446,378	207,394	4,213	603	162,052	277,052				
Child care credit	3,025,989	1,218,095	2,704,337	1,078,183	18,127	18,127	18,127	9,828	292,336	127,270	*1,749	*174	2,639	9,440				
Credit for the elderly or disabled	26,508	4,436	*9,042	*2,083	—	—	—	—	*1,358	*512	—	—	—	1,841				
Foreign tax credit	423,373	1,002,236	311,668	745,352	7,926	7,926	7,926	61,932	14,490	25,401	*950	*153	88,339	169,398				
Earned income credit used to offset income tax before credits	283,862	54,027	120,316	16,727	—	—	—	—	162,039	37,129	*1,507	*172	—	—				
Minimum tax credit	39,513	251,478	32,162	206,068	—	—	—	—	2,270	6,415	—	—	4,830	34,249				
General business credit	190,553	417,329	144,218	344,857	3,476	3,476	3,476	5,050	8,864	9,598	*8	*86	33,987	57,738				
Income tax after credits	30,418,595	300,362,036	21,631,608	239,189,994	627,537	627,537	627,537	5,075,056	1,692,355	8,689,174	28,670	246,092	6,438,425	47,161,720				
Alternative minimum tax	98,625	742,180	67,455	541,539	2,038	2,038	2,038	23,601	3,282	27,589	*8	*1,402	25,842	148,050				
Total income tax	30,427,264	301,104,216	21,636,238	239,731,533	627,555	627,555	627,555	5,098,657	1,693,376	8,716,762	28,670	247,494	6,441,325	47,309,770				
Total tax liability	30,856,111	313,127,859	21,928,706	249,589,191	641,784	641,784	641,784	5,267,340	1,721,429	9,088,506	31,214	258,848	6,532,978	48,933,974				
Total tax payments	30,947,282	315,213,002	22,083,329	249,568,642	628,788	628,788	628,788	5,056,157	1,785,768	10,761,920	35,377	266,175	6,413,659	49,560,109				
Income tax withheld	28,405,177	228,688,022	20,750,375	183,798,326	577,608	577,608	577,608	3,180,958	1,699,958	8,759,513	31,801	153,662	5,345,434	32,795,839				
Estimated tax payments	5,623,392	69,355,273	3,790,622	52,059,373	79,792	79,792	79,792	1,330,471	157,205	1,605,805	5,984	101,007	1,589,789	14,258,254				
Overpayment refunded	20,352,973	34,605,162	14,231,088	25,341,585	368,507	368,507	368,507	441,100	1,468,538	2,536,689	26,692	38,906	4,258,148	6,246,883				
Tax due at time of filing	9,849,927	41,039,028	7,240,796	31,901,764	259,214	259,214	259,214	856,768	320,138	1,016,448	8,751	37,760	2,021,028	7,226,288				

* Estimate should be used with caution because of the small number of sample returns on which it is based

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals

NOTE: Dollar may not add to totals because of rounding

Individual Returns/1989

Table 2.3—All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for dependents				
				Total			Total income tax	
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total	112,135,873	223,756,252	149,873,381	39,956,594	73,882,691	1,553,291,538	30,195,720	191,879,680
Under \$5,000	17,592,448	14,569,311	10,713,767	2,292,525	3,855,545	-12,862,151	2,841	44,461
\$5,000 under \$10,000	15,006,777	22,184,737	16,069,611	3,555,316	6,115,126	27,147,526	184,930	34,389
\$10,000 under \$15,000	14,302,945	25,475,201	17,959,692	4,272,746	7,515,509	53,341,735	992,493	388,403
\$15,000 under \$20,000	11,738,291	22,310,767	15,614,707	3,734,630	6,696,060	65,236,224	3,146,795	2,481,827
\$20,000 under \$25,000	9,332,301	19,741,306	13,218,556	3,467,856	6,522,751	77,903,193	3,352,026	4,834,643
\$25,000 under \$30,000	7,615,124	17,294,925	11,503,509	3,085,850	5,791,416	84,897,667	3,027,823	6,289,705
\$30,000 under \$35,000	6,564,097	16,342,233	10,448,389	3,068,157	5,893,845	99,802,800	3,045,440	8,288,258
\$35,000 under \$40,000	5,536,272	14,543,120	9,285,611	2,810,312	5,257,510	105,253,164	2,800,036	9,478,134
\$40,000 under \$45,000	4,750,516	13,260,707	8,333,776	2,546,504	4,926,931	108,073,709	2,537,483	10,204,795
\$45,000 under \$50,000	3,839,757	10,995,867	6,979,845	2,104,507	4,016,022	99,714,909	2,098,853	9,910,318
\$50,000 under \$55,000	3,104,484	9,304,424	5,756,659	1,790,873	3,547,765	93,804,991	1,789,250	10,222,770
\$55,000 under \$60,000	2,401,417	7,106,184	4,504,328	1,370,831	2,601,856	78,749,388	1,368,817	9,289,395
\$60,000 under \$75,000	4,415,440	13,133,615	8,350,900	2,556,399	4,782,715	170,230,777	2,555,244	22,494,917
\$75,000 under \$100,000	3,059,386	8,987,099	5,769,576	1,698,041	3,217,523	144,750,257	1,693,816	21,692,777
\$100,000 under \$200,000	2,090,358	6,190,397	3,905,483	1,186,782	2,284,914	157,219,625	1,185,122	29,148,731
\$200,000 under \$500,000	612,814	1,828,941	1,140,431	333,904	688,510	96,769,902	333,505	21,970,250
\$500,000 under \$1,000,000	115,646	330,337	212,918	56,094	117,419	38,126,445	56,023	9,127,685
\$1,000,000 or more	57,603	157,082	105,606	25,267	51,475	65,131,375	25,223	15,778,222
Taxable returns, total	89,178,355	179,337,335	123,777,349	30,195,720	55,559,986	1,482,220,877	30,195,720	191,679,680
Nontaxable returns, total	22,957,318	44,418,917	26,096,012	9,760,874	18,322,905	71,070,659	—	—

Size of adjusted gross income	Exemptions for dependents—Continued									
	Exemptions for children at home			Exemptions for children away from home			Total income tax			
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	Number of exemptions	Adjusted gross income less deficit	Amount
(8)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
All returns, total	37,650,748	58,230,238	1,480,810,832	28,308,493	182,268,191	931,281	1,380,790	43,872,955	876,838	8,343,355
Under \$5,000	2,194,698	3,640,360	-12,330,932	2,790	42,693	14,630	19,362	-379,744	7	154
\$5,000 under \$10,000	3,229,696	5,412,507	24,551,540	72,051	16,276	45,251	61,554	363,379	23,688	4,778
\$10,000 under \$15,000	3,873,463	6,629,807	48,369,861	684,810	223,144	71,038	125,822	912,710	59,416	41,099
\$15,000 under \$20,000	3,418,507	5,965,236	59,668,618	2,844,402	2,129,636	94,691	135,276	1,666,133	91,772	105,105
\$20,000 under \$25,000	3,244,008	5,955,245	72,883,264	3,129,685	4,421,827	80,129	122,909	1,803,334	80,129	154,268
\$25,000 under \$30,000	2,907,699	5,372,623	79,985,868	2,850,858	5,835,707	80,278	122,377	2,204,056	77,368	186,331
\$30,000 under \$35,000	2,906,834	5,478,066	94,545,657	2,884,117	7,749,991	95,587	143,441	3,100,529	95,587	311,137
\$35,000 under \$40,000	2,691,674	4,958,429	100,798,760	2,681,398	8,941,208	66,528	99,079	2,485,908	66,528	276,929
\$40,000 under \$45,000	2,473,313	4,676,296	104,962,945	2,464,292	9,856,562	63,887	88,226	2,729,435	63,179	290,437
\$45,000 under \$50,000	2,031,474	3,791,472	96,255,502	2,025,820	9,470,751	55,645	85,055	2,625,706	55,645	312,336
\$50,000 under \$55,000	1,736,579	3,393,794	90,972,178	1,734,956	9,849,000	37,662	54,521	1,978,572	37,662	244,990
\$55,000 under \$60,000	1,322,166	2,470,943	75,950,949	1,320,153	8,895,647	29,965	41,654	1,720,816	29,964	226,223
\$60,000 under \$75,000	2,454,588	4,520,890	163,499,426	2,453,433	21,510,077	68,370	94,944	4,552,212	68,370	668,681
\$75,000 under \$100,000	1,634,051	3,015,527	139,235,970	1,629,826	20,781,300	70,642	107,276	6,064,653	70,618	937,484
\$100,000 under \$200,000	1,133,514	2,139,211	150,376,515	1,131,908	27,818,557	42,647	57,812	5,391,684	42,593	1,026,407
\$200,000 under \$500,000	320,808	651,301	93,059,674	320,428	21,142,876	11,241	17,176	3,070,698	11,226	688,723
\$500,000 under \$1,000,000	53,776	110,295	36,536,262	53,707	8,748,575	2,061	2,952	1,380,298	2,060	328,134
\$1,000,000 or more	23,899	48,236	61,288,576	23,859	14,834,021	831	1,353	2,202,575	827	540,136
Taxable returns, total	28,308,493	51,308,793	1,412,062,396	28,308,493	182,268,191	876,638	1,287,389	43,748,401	876,638	6,343,355
Nontaxable returns, total	9,342,253	16,921,445	68,548,236	—	—	54,643	93,401	124,555	—	—

Size of adjusted gross income	Exemptions for dependents—Continued									
	Exemptions for parents			Exemptions for other dependents						
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
(19)	(20)	(21)	(22)	Number of returns	Amount	(24)	(25)	(26)	Number of returns	Amount
All returns, total	1,448,024	1,659,262	50,827,189	1,127,489	8,044,669	1,878,696	2,812,601	45,994,916	1,138,135	4,550,797
Under \$5,000	48,931	54,476	-354,943	52	2,216	90,878	141,347	-118,095	12	361
\$5,000 under \$10,000	167,638	197,227	1,340,494	38,026	5,572	279,318	443,838	2,238,416	51,165	7,763
\$10,000 under \$15,000	247,461	281,263	3,070,645	150,970	74,317	302,359	478,618	3,753,119	136,224	61,870
\$15,000 under \$20,000	200,580	231,495	3,526,197	171,079	163,994	216,789	364,053	3,831,447	176,968	156,453
\$20,000 under \$25,000	170,875	200,294	3,857,999	162,632	234,104	164,206	244,303	3,640,025	158,178	215,986
\$25,000 under \$30,000	85,567	100,305	2,360,291	83,124	176,849	146,661	196,110	3,884,109	136,699	297,422
\$30,000 under \$35,000	89,308	100,770	2,916,710	86,633	236,996	101,393	171,567	3,299,911	99,669	263,500
\$35,000 under \$40,000	66,242	74,862	2,499,253	65,301	254,567	79,006	125,140	2,946,874	79,006	264,255
\$40,000 under \$45,000	77,575	87,966	3,307,038	75,850	293,549	50,100	74,442	2,111,157	48,375	178,025
\$45,000 under \$50,000	56,826	62,100	2,673,853	56,826	254,459	49,502	77,395	2,337,288	49,502	232,575
\$50,000 under \$55,000	28,813	33,985	1,510,662	28,813	157,388	44,502	65,465	2,331,440	44,502	266,379
\$55,000 under \$60,000	32,111	33,024	1,840,583	32,111	211,016	42,227	56,235	2,433,477	42,227	304,099
\$60,000 under \$75,000	76,802	84,706	5,089,058	76,802	647,219	52,527	82,174	3,514,020	52,527	430,045
\$75,000 under \$100,000	40,783	48,899	3,477,399	40,783	483,265	31,679	45,821	2,742,088	31,542	413,749
\$100,000 under \$200,000	43,618	50,431	5,794,691	43,617	1,009,143	24,291	37,460	3,204,692	24,291	575,130
\$200,000 under \$500,000	11,162	13,200	3,355,854	11,141	735,780	5,963	6,833	1,783,733	5,952	379,642
\$500,000 under \$1,000,000	2,691	3,114	1,753,181	2,689	417,869	793	1,057	565,009	793	137,707
\$1,000,000 or more	1,042	1,144	2,808,233	1,040	686,566	502	742	1,496,208	502	365,835
Taxable returns, total	1,127,489	1,278,604	48,023,739	1,127,489	6,044,869	1,138,135	1,685,199	41,200,868	1,138,135	4,550,797
Nontaxable returns, total	320,534	380,657	2,803,450	—	—	538,561	927,402	4,794,048	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based.
 NOTE: Detail may not add to totals because of rounding.

Table 2.4—All Returns: Exemptions by Type, and Number of Exemptions, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Marital status	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for dependents					
				Total				Total income tax	
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Number of returns	112,135,673	223,756,252	149,873,361	39,956,594	73,882,891	1,553,291,536	30,195,720	191,679,680	
Joint returns of husbands and wives	48,076,037	150,234,686	96,145,429	27,449,412	54,089,257	1,320,369,744	23,381,668	171,505,247	
Separate returns of husbands and wives:									
Total	2,118,193	3,252,163	2,148,561	626,448	1,103,601	15,473,473	519,732	2,166,393	
Spouse filing	2,059,622	3,085,616	2,031,420	604,642	1,054,196	14,871,274	502,843	2,092,566	
Spouse not filing	58,571	166,546	117,141	21,806	49,405	602,200	16,889	73,827	
Returns of heads of households	11,881,607	28,835,482	11,881,607	10,704,357	16,953,875	188,492,638	5,403,673	14,237,868	
Returns of surviving spouses	100,374	273,480	100,374	100,374	173,105	2,863,954	62,881	346,297	
Returns of single persons	49,959,463	41,160,442	39,597,389	1,076,003	1,563,052	26,091,726	827,766	3,423,875	

Marital status	Exemptions for dependents—Continued									
	Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Number of returns	37,650,746	68,230,238	1,480,610,632	28,308,493	182,268,191	931,281	1,380,790	43,872,955	876,638	6,343,355
Joint returns of husbands and wives	26,797,179	51,708,276	1,286,294,172	22,814,756	166,478,097	406,140	583,947	26,732,117	399,985	3,894,104
Separate returns of husbands and wives:										
Total	567,694	964,491	13,948,069	471,215	1,949,462	33,602	61,910	994,410	30,701	136,975
Spouse filing	547,464	924,196	13,380,492	455,902	1,876,307	33,534	61,841	992,111	30,633	136,945
Spouse not filing	20,230	40,294	567,577	15,313	73,155	*68	*68	*2,300	*68	*30
Returns of heads of households	9,788,055	14,878,306	169,453,326	4,680,879	12,490,717	91,553	128,896	3,147,564	75,556	409,866
Returns of surviving spouses	100,374	166,859	2,863,954	62,881	346,297	*1,507	*1,507	*5,825	—	—
Returns of single persons	397,444	512,306	8,051,111	278,763	1,003,618	398,479	604,531	12,993,039	370,396	1,902,410

Marital status	Exemptions for dependents—Continued									
	Exemptions for parents					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Number of returns	1,448,024	1,659,262	50,827,189	1,127,489	6,044,869	1,676,696	2,612,601	45,994,916	1,138,135	4,550,797
Joint returns of husbands and wives	623,963	726,739	33,660,582	540,559	4,493,024	648,342	1,070,295	27,020,824	492,359	3,123,215
Separate returns of husbands and wives:										
Total	9,703	12,853	384,374	9,700	70,554	25,853	64,348	543,398	17,151	71,495
Spouse filing	9,703	12,853	384,374	9,700	70,554	24,346	55,305	511,075	15,644	70,853
Spouse not filing	—	—	—	—	—	*1,507	*9,042	*32,323	*1,507	*642
Returns of heads of households	694,456	777,516	14,702,022	504,730	1,277,407	799,538	1,169,156	14,665,127	497,851	978,671
Returns of surviving spouses	*1,725	*1,725	*76,226	*1,725	*8,995	*1,507	*3,014	*23,206	*1,507	*494
Returns of single persons	118,177	140,429	2,003,985	70,775	194,889	201,456	305,787	3,742,361	129,268	376,922

* Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTE: Detail may not add to totals because of rounding.

Table 3.1—Returns with Modified Taxable Income: Adjusted Gross Income, and Tax Items, by Type of Tax Computation by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income	Taxable income	Modified taxable income	Income tax before credits, regular computation		Tax generated		Income tax before credits	
					Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Returns with regular tax computation only										
Total	91,731,925	3,186,397,926	2,163,554,278	2,167,448,151	91,726,869	434,018,270	91,731,925	434,049,352	91,731,925	435,712,570
Under \$5,000	4,690,281	12,420,797	3,011,339	3,011,682	4,685,226	449,801	4,690,281	452,531	4,690,281	452,817
\$5,000 under \$10,000	9,799,640	73,864,739	23,776,914	23,728,686	9,799,640	3,555,241	9,799,640	3,559,943	9,799,640	3,563,124
\$10,000 under \$15,000	12,683,475	158,526,918	68,533,624	68,482,863	12,683,475	10,266,294	12,683,475	10,272,481	12,683,475	10,295,617
\$15,000 under \$20,000	11,447,144	199,632,294	106,978,187	106,910,951	11,447,144	16,031,840	11,447,144	16,037,360	11,447,144	16,108,211
\$20,000 under \$25,000	9,205,653	206,159,064	122,223,256	122,204,647	9,205,653	18,407,340	9,205,653	18,411,518	9,205,653	18,502,376
\$25,000 under \$30,000	7,556,338	207,585,990	131,835,000	131,840,817	7,556,338	20,892,614	7,556,338	20,895,004	7,556,338	20,952,201
\$30,000 under \$40,000	12,047,242	418,400,909	277,998,375	278,020,083	12,047,242	45,595,766	12,047,242	45,599,882	12,047,242	46,075,904
\$40,000 under \$50,000	8,547,062	381,803,663	262,611,499	262,660,674	8,547,062	44,234,169	8,547,062	44,235,913	8,547,062	44,336,976
\$50,000 under \$75,000	9,874,507	591,623,161	423,323,871	423,423,821	9,874,507	81,348,724	9,874,507	81,348,821	9,874,507	81,594,452
\$75,000 under \$100,000	3,040,151	259,486,756	192,082,302	192,165,726	3,040,151	42,578,776	3,040,151	42,578,512	3,040,151	42,759,914
\$100,000 under \$200,000	2,065,645	273,132,102	210,235,513	210,557,386	2,065,645	54,141,462	2,065,645	54,141,360	2,065,645	54,275,508
\$200,000 under \$500,000	603,761	176,529,441	144,571,966	147,063,662	603,761	41,251,255	603,761	41,251,084	603,761	41,392,778
\$500,000 under \$1,000,000	114,168	77,507,212	66,169,214	66,839,725	114,168	18,714,712	114,168	18,714,681	114,168	18,797,970
\$1,000,000 or more	56,857	149,724,880	130,203,218	130,537,429	56,857	36,550,276	56,857	36,550,262	56,857	36,604,721
Returns with Form 8615 tax computation only										
Total	351,582	1,404,509	1,188,425	1,203,466	351,582	207,274	351,582	311,155	351,582	332,562
Under \$5,000	288,113	568,632	423,757	427,221	288,113	63,242	288,113	95,058	288,113	95,058
\$5,000 under \$10,000	46,397	337,641	302,478	302,478	46,397	45,362	46,397	80,946	46,397	102,353
\$10,000 under \$15,000	*6,964	*81,932	*77,953	*77,953	*6,964	*11,684	*6,964	*18,925	*6,964	*18,925
\$15,000 under \$20,000	*1,507	*29,125	*28,372	*28,372	*1,507	*4,310	*1,507	*7,849	*1,507	*7,849
\$20,000 under \$25,000	*3,014	*65,551	*64,044	*64,044	*3,014	*10,667	*3,014	*18,479	*3,014	*18,479
\$25,000 under \$30,000	*1,507	*40,731	*37,827	*39,224	*1,507	*6,969	*1,507	*17,681	*1,507	*17,681
\$30,000 under \$40,000	*1,724	*53,398	*52,536	*52,536	*1,724	*10,553	*1,724	*14,623	*1,724	*14,623
\$40,000 under \$50,000	—	—	—	—	—	—	—	—	—	—
\$50,000 under \$75,000	—	—	—	—	—	—	—	—	—	—
\$75,000 under \$100,000	*2,258	*194,826	*171,910	*179,763	*2,258	*46,213	*2,258	*49,313	*2,258	*49,313
\$100,000 under \$200,000	*72	*13,654	*12,231	*13,453	*72	*3,425	*72	*3,426	*72	*3,426
\$200,000 under \$500,000	—	—	—	—	—	—	—	—	—	—
\$500,000 under \$1,000,000	*25	*19,019	*17,319	*18,424	*25	*4,850	*25	*4,855	*25	*4,855
\$1,000,000 or more	**	**	**	**	**	**	**	**	**	**
Returns with regular tax computation only										
Total	11,991,193	6,059,838	88,652,569	429,652,732	98,724	680,406	88,655,777	430,333,138	19.9	13.5
Under \$5,000	*8,993	*1,052	4,687,839	451,765	*3,014	*196	4,687,839	451,961	15.0	3.6
\$5,000 under \$10,000	622,264	97,847	9,262,797	3,465,277	—	—	9,262,797	3,465,277	14.6	4.7
\$10,000 under \$15,000	2,746,589	1,008,678	10,628,306	9,286,939	*68	*1,032	10,628,306	9,287,970	13.6	5.9
\$15,000 under \$20,000	2,870,152	833,701	11,054,072	15,274,510	*1,186	*8,674	11,054,072	15,283,184	14.3	7.7
\$20,000 under \$25,000	744,315	339,870	9,163,799	18,162,506	*376	*438	9,163,799	18,162,944	14.9	8.8
\$25,000 under \$30,000	612,864	259,160	7,536,762	20,693,041	*1,591	*10,960	7,536,830	20,704,001	15.7	10.0
\$30,000 under \$40,000	1,220,132	542,172	12,031,674	45,533,732	4,255	7,909	12,031,883	45,541,641	16.4	10.9
\$40,000 under \$50,000	950,381	409,126	8,538,445	43,927,850	3,526	14,024	8,539,517	43,941,874	16.7	11.5
\$50,000 under \$75,000	1,331,980	627,757	9,871,716	80,966,695	17,087	46,577	9,872,196	81,013,272	19.1	13.7
\$75,000 under \$100,000	434,346	332,722	3,037,777	42,427,191	15,363	35,328	3,038,599	42,462,519	22.1	16.4
\$100,000 under \$200,000	286,732	431,788	2,064,816	53,843,720	28,960	129,557	2,065,302	53,973,277	25.6	19.8
\$200,000 under \$500,000	113,611	431,707	603,625	40,961,071	15,861	148,047	603,645	41,109,118	28.0	23.3
\$500,000 under \$1,000,000	29,480	237,410	114,116	18,560,560	4,772	112,582	114,151	18,673,142	27.9	24.1
\$1,000,000 or more	19,354	506,846	56,825	36,097,875	2,666	165,082	56,843	36,262,958	27.8	24.2
Returns with Form 8615 tax computation only										
Total	*3,074	*2,756	351,582	329,807	*6,028	*711	351,582	330,518	27.5	23.5
Under \$5,000	*936	*13	288,113	95,044	*4,521	*502	288,113	95,546	22.4	16.8
\$5,000 under \$10,000	—	—	46,397	102,353	*1,507	*209	46,397	102,563	33.9	30.4
\$10,000 under \$15,000	*936	*10	*6,964	*18,915	—	—	*6,964	*18,915	*24.3	*23.1
\$15,000 under \$20,000	—	—	*1,507	*7,849	—	—	*1,507	*7,849	*27.7	*26.9
\$20,000 under \$25,000	—	—	*3,014	*18,479	—	—	*3,014	*18,479	*28.9	*28.2
\$25,000 under \$30,000	—	—	*1,507	*17,681	—	—	*1,507	*17,681	*45.1	*43.4
\$30,000 under \$40,000	—	—	*1,724	*14,623	—	—	*1,724	*14,623	*27.8	*27.4
\$40,000 under \$50,000	—	—	—	—	—	—	—	—	—	—
\$50,000 under \$75,000	—	—	—	—	—	—	—	—	—	—
\$75,000 under \$100,000	*1,129	*1,043	*2,258	*48,269	—	—	*2,258	*48,269	*26.9	*24.8
\$100,000 under \$200,000	*73	*1,689	*72	*1,915	—	—	*72	*1,915	*14.2	*14.0
\$200,000 under \$500,000	—	—	—	—	—	—	—	—	—	—
\$500,000 under \$1,000,000	—	—	*25	*4,677	—	—	*25	*4,677	*25.4	*45.7
\$1,000,000 or more	**	**	**	**	—	—	**	**	**	**

* Estimate should be used with caution because of the small number of sample returns on which it is based

** Data combined to avoid disclosure of information for specific taxpayers

NOTE: Detail may not add to totals because of rounding

Table 3.2—Returns with Total Income Tax: Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income								
	Total			Under 5 percent			5 under 7 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns	89,178,355	3,158,293,754	432,939,998	15,153,818	179,420,519	5,291,519	9,917,538	162,267,668	11,130,291
Under \$5,000	4,996,843	10,050,838	666,571	3,453,530	9,513,035	219,284	570,578	1,417,158	79,067
\$5,000 under \$10,000	9,324,913	69,632,105	3,584,847	4,595,844	31,239,948	866,927	3,091,028	25,074,536	1,516,133
\$10,000 under \$15,000	10,643,030	133,270,785	9,323,866	2,817,080	35,751,474	947,898	773,164	9,670,748	572,232
\$15,000 under \$20,000	11,058,757	193,259,475	15,295,442	2,236,031	38,517,233	1,149,634	2,013,592	34,854,882	2,118,566
\$20,000 under \$25,000	9,173,782	205,473,198	18,193,167	960,455	21,335,360	704,598	1,276,569	28,668,397	1,749,743
\$25,000 under \$30,000	7,541,919	207,195,437	20,726,836	441,955	12,017,611	420,443	712,352	19,533,078	1,199,598
\$30,000 under \$40,000	12,046,515	418,392,529	45,597,597	379,587	13,018,468	436,408	839,482	28,783,386	1,785,109
\$40,000 under \$50,000	8,560,180	382,362,994	44,034,240	127,798	5,735,794	185,150	388,623	17,286,639	1,066,043
\$50,000 under \$75,000	9,905,916	593,569,941	81,250,313	98,677	5,921,970	184,578	214,992	12,541,364	778,110
\$75,000 under \$100,000	3,053,791	260,645,078	42,671,702	23,211	1,967,197	61,694	26,240	2,248,053	135,347
\$100,000 under \$200,000	2,087,727	275,945,659	54,471,932	14,183	1,898,523	46,660	8,921	1,091,999	64,079
\$200,000 or more	784,982	408,495,716	97,123,485	5,466	2,503,906	68,244	1,997	1,097,428	66,263
Joint returns	41,484,854	2,178,430,855	306,529,899	5,130,800	102,839,317	3,143,177	4,450,960	121,141,695	7,428,153
Under \$5,000	14,419	— 2,313,808	75,693	* 4,829	* 22,062	* 308	—	—	—
\$5,000 under \$10,000	145,694	1,361,105	26,006	130,124	1,244,320	6,429	* 3,419	* 26,517	* 1,554
\$10,000 under \$15,000	2,119,353	26,884,973	858,852	1,903,837	23,805,390	660,089	205,315	2,949,678	159,579
\$15,000 under \$20,000	3,409,652	60,110,994	3,066,943	1,450,142	25,261,554	737,971	1,342,574	23,222,128	1,418,774
\$20,000 under \$25,000	3,797,609	85,511,627	5,861,251	723,872	16,117,458	536,931	1,001,644	22,598,417	1,379,257
\$25,000 under \$30,000	3,830,425	105,549,219	8,466,488	369,125	10,055,488	352,092	592,667	16,281,469	998,693
\$30,000 under \$40,000	7,589,457	265,375,511	24,062,833	318,756	10,933,444	370,324	714,687	24,585,996	1,524,738
\$40,000 under \$50,000	6,701,307	300,191,267	31,124,549	110,078	4,921,187	164,359	356,555	15,867,777	983,693
\$50,000 under \$75,000	8,682,721	521,491,284	68,471,820	82,640	4,971,216	155,200	199,701	11,647,116	724,104
\$75,000 under \$100,000	2,706,927	230,825,990	36,616,604	19,061	1,620,104	55,677	25,040	2,150,450	129,687
\$100,000 under \$200,000	1,815,100	239,669,199	46,219,158	13,384	1,805,089	44,655	7,509	926,805	53,093
\$200,000 or more	672,189	343,773,295	81,679,501	4,953	2,082,006	59,143	1,470	885,343	53,340
Single returns	39,621,683	758,806,290	101,748,895	8,103,937	46,771,789	1,309,665	4,289,038	37,914,517	2,308,911
Under \$5,000	4,948,579	12,567,839	579,909	3,422,606	9,408,469	217,238	566,057	1,398,538	77,917
\$5,000 under \$10,000	8,830,882	65,586,443	3,455,471	4,227,046	28,229,720	819,406	3,020,493	24,516,427	1,482,185
\$10,000 under \$15,000	7,449,387	92,239,191	7,859,288	234,986	2,878,367	86,582	429,102	4,892,245	308,133
\$15,000 under \$20,000	5,654,044	98,364,055	10,047,013	82,680	1,436,474	49,491	105,807	1,824,570	111,005
\$20,000 under \$25,000	3,846,913	85,859,329	9,549,627	50,492	1,130,733	32,994	67,981	1,498,016	92,691
\$25,000 under \$30,000	2,738,980	75,001,941	9,734,004	23,294	627,623	21,639	36,452	977,667	61,881
\$30,000 under \$40,000	3,249,721	111,448,693	16,981,212	34,849	1,192,978	37,826	38,470	1,309,902	82,778
\$40,000 under \$50,000	1,392,856	61,653,862	10,241,722	* 10,627	* 494,743	* 11,441	12,878	592,819	34,615
\$50,000 under \$75,000	937,960	55,271,566	10,175,985	12,380	738,794	21,043	* 8,889	* 515,337	* 30,974
\$75,000 under \$100,000	265,070	22,778,845	4,713,521	4,013	335,228	5,870	* 1,200	* 97,604	* 5,660
\$100,000 under \$200,000	221,681	29,566,611	6,836,896	593	69,491	1,578	* 1,343	* 153,340	* 10,329
\$200,000 or more	85,611	48,467,914	11,574,248	371	229,169	4,558	365	138,051	8,745

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income—Continued								
	7 under 10 percent			10 under 12 percent			12 under 15 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns	25,184,900	632,714,259	55,063,520	16,840,549	518,319,919	56,595,057	10,413,616	497,375,947	87,108,188
Under \$5,000	432,376	749,774	63,298	211,728	444,068	48,846	185,487	541,709	69,527
\$5,000 under \$10,000	1,426,258	11,670,042	936,058	77,519	667,192	68,937	84,611	617,914	84,581
\$10,000 under \$15,000	6,715,716	83,727,682	7,305,273	288,404	3,532,938	386,178	36,021	428,749	58,956
\$15,000 under \$20,000	2,191,606	38,545,521	3,284,400	4,548,460	80,117,562	8,519,411	57,491	1,010,476	130,752
\$20,000 under \$25,000	3,262,949	73,452,248	6,204,640	3,109,555	68,550,668	7,761,732	538,948	12,901,297	1,606,225
\$25,000 under \$30,000	3,067,967	83,938,828	7,341,256	1,062,860	29,804,734	3,137,119	2,080,411	56,787,782	7,778,398
\$30,000 under \$40,000	4,231,219	146,416,885	12,846,811	3,486,073	122,776,664	13,273,368	954,546	33,025,977	4,445,699
\$40,000 under \$50,000	2,508,617	111,495,370	9,843,465	2,336,122	103,111,207	11,279,660	2,028,212	92,758,421	12,242,148
\$50,000 under \$75,000	1,213,080	68,764,783	6,008,149	1,504,198	87,321,724	9,686,382	3,544,492	211,009,038	28,556,712
\$75,000 under \$100,000	104,362	8,675,588	771,262	165,423	13,962,357	1,541,618	695,967	58,342,927	8,020,106
\$100,000 under \$200,000	26,332	3,283,190	287,175	46,157	5,650,946	628,855	194,707	23,557,754	3,243,246
\$200,000 or more	4,416	1,994,349	171,732	4,051	2,379,858	262,952	12,724	6,393,903	871,838
Joint returns	12,534,551	440,119,351	38,251,971	7,115,426	314,626,913	34,298,533	5,874,782	359,524,925	48,466,048
Under \$5,000	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	* 1,507	* 12,816	* 1,070	—	—	—	* 2,865	* 21,888	* 3,019
\$10,000 under \$15,000	* 1,507	* 19,360	* 1,561	—	—	—	* 3,014	* 35,862	* 4,990
\$15,000 under \$20,000	609,700	11,506,925	866,454	* 1,507	* 25,707	* 3,083	* 1,509	* 23,857	* 3,166
\$20,000 under \$25,000	2,060,354	46,535,280	3,857,871	* 3,014	* 64,621	* 7,119	—	—	—
\$25,000 under \$30,000	2,396,697	65,606,739	5,718,081	468,470	13,516,923	1,380,246	* 370	* 9,974	* 1,288
\$30,000 under \$40,000	3,760,865	130,530,147	11,460,845	2,788,994	99,111,644	10,672,487	* 4,322	* 144,741	* 19,121
\$40,000 under \$50,000	1,213,080	107,009,903	9,442,929	2,183,800	96,434,300	10,540,097	1,634,722	75,513,572	9,877,044
\$50,000 under \$75,000	1,176,119	66,642,048	5,818,852	1,459,018	84,736,278	9,402,878	3,365,425	200,719,132	27,146,707
\$75,000 under \$100,000	94,696	7,855,375	704,651	165,353	13,956,937	1,540,976	668,220	56,066,041	7,702,669
\$100,000 under \$200,000	22,518	2,769,517	240,314	42,018	5,034,410	559,380	184,447	22,235,072	3,059,327
\$200,000 or more	4,014	1,631,243	139,342	3,253	1,748,093	192,266	9,868	4,754,787	648,717
Single returns	10,248,228	135,578,079	11,874,116	8,381,289	165,775,223	16,163,675	3,698,676	112,380,596	15,239,157
Under \$5,000	430,871	743,783	62,855	210,220	440,075	48,387	185,487	541,709	69,527
\$5,000 under \$10,000	1,385,217	11,294,274	907,626	74,505	643,089	66,415	81,745	596,026	81,562
\$10,000 under \$15,000	6,516,081	81,280,131	7,090,483	230,754	2,729,354	301,626	31,499	374,586	51,767
\$15,000 under \$20,000	1,098,089	18,145,091	1,685,170	4,317,362	76,073,770	8,077,477	44,077	771,082	99,323
\$20,000 under \$25,000	325,460	7,257,024	642,751	2,925,885	64,430,764	7,317,376	465,031	11,274,814	1,394,474
\$25,000 under \$30,000	237,091	6,510,710	584,995	286,692	7,785,136	853,088	2,023,973	25,618,673	7,566,676
\$30,000 under \$40,000	190,835	6,475,417	559,099	236,750	8,042,061	897,575	694,574	53,218,883	3,217,325
\$40,000 under \$50,000	35,879	1,570,025	141,580	68,140	3,011,952	332,129	246,294	10,824,805	1,494,052
\$50,000 under \$75,000	17,529	1,061,435	95,266	26,219	1,511,949	164,723	102,805	5,922,666	820,432
\$75,000 under \$100,000	9,033	762,534	62,156	* 71	* 5,420	* 642	14,331	1,174,883	162,807
\$100,000 under \$200,000	1,844	272,907	23,963	4,068	602,284	67,964	6,613	856,410	117,253
\$200,000 or more	298	204,748	18,151	622	499,370	56,273	2,246	1,206,061	163,958

Footnote(s) at end of table

Table 3.2—Returns with Total Income Tax: Total Income Tax as a Percentage of Adjusted Gross Income, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income—Continued								
	15 under 17 percent			17 under 25 percent			25 under 30 percent		
	Number of returns (19)	Adjusted gross income less deficit (20)	Total income tax (21)	Number of returns (22)	Adjusted gross income less deficit (23)	Total income tax (24)	Number of returns (25)	Adjusted gross income less deficit (26)	Total income tax (27)
All returns	4,978,050	288,471,978	48,086,643	8,074,948	852,539,429	134,950,207	545,708	205,606,018	54,019,898
Under \$5,000	38,292	74,339	11,846	82,304	233,519	50,230	*9,042	*34,861	*9,101
\$5,000 under \$10,000	*10,079	*71,093	*11,363	*10,549	*69,843	*15,303	22,606	170,200	46,194
\$10,000 under \$15,000	*1,358	*19,509	*3,016	*4,200	*55,378	*11,806	*4,003	*43,963	*11,903
\$15,000 under \$20,000	*1,528	*30,142	*4,558	*3,014	*54,172	*12,200	*1,507	*29,125	*7,849
\$20,000 under \$25,000	*9,042	*204,724	*31,968	*7,535	*166,934	*31,041	*3,014	*65,551	*18,479
\$25,000 under \$30,000	160,372	4,667,798	715,007	*10,320	*291,710	*54,576	—	—	—
\$30,000 under \$40,000	1,466,744	48,882,740	7,829,679	683,512	25,295,581	4,484,432	*1,795	*55,988	*15,311
\$40,000 under \$50,000	334,625	14,835,218	2,377,792	830,957	36,905,651	6,920,036	*2,637	*121,607	*32,909
\$50,000 under \$75,000	1,943,183	120,055,898	19,107,737	1,365,750	86,626,083	16,465,888	10,802	687,890	182,455
\$75,000 under \$100,000	760,706	64,536,644	10,335,486	1,228,636	106,458,900	20,498,617	46,185	4,184,717	1,075,131
\$100,000 under \$200,000	237,101	28,727,431	4,632,829	1,392,995	186,723,970	38,917,200	162,299	24,302,904	6,337,291
\$200,000 or more	15,019	6,366,440	1,025,364	455,176	209,657,687	47,488,879	281,817	175,909,213	46,283,072
Joint returns	2,781,014	205,568,314	32,835,144	3,270,882	478,886,487	99,378,269	308,201	157,017,891	41,202,745
Under \$5,000	*1,507	*5,817	*934	—	—	—	—	—	—
\$5,000 under \$10,000	*2,865	*23,897	*3,700	*3,014	*16,660	*3,109	—	—	—
\$10,000 under \$15,000	*1,358	*19,509	*3,016	*1,186	*14,113	*2,830	*53	*718	*183
\$15,000 under \$20,000	*21	*372	*58	—	—	—	—	—	—
\$20,000 under \$25,000	—	—	—	*4,521	*100,534	*19,149	—	—	—
\$25,000 under \$30,000	*1,358	*39,085	*6,434	*1,507	*38,737	*9,297	—	—	—
\$30,000 under \$40,000	—	—	—	*1,724	*65,574	*13,529	—	—	—
\$40,000 under \$50,000	*2,637	*126,496	*20,672	*3,597	*162,392	*31,015	*2,637	*121,607	*32,909
\$50,000 under \$75,000	1,775,760	110,329,874	17,546,161	610,897	41,645,634	7,407,730	*5,292	*311,210	*83,968
\$75,000 under \$100,000	737,270	62,534,489	10,012,053	993,778	86,333,202	16,228,884	*1,156	*103,663	*28,704
\$100,000 under \$200,000	225,262	27,356,917	4,412,910	1,251,326	167,884,931	34,741,767	65,835	11,284,369	2,911,227
\$200,000 or more	12,974	5,131,858	829,207	399,311	180,624,689	40,920,959	233,227	145,196,124	38,145,755
Single returns	1,974,075	71,273,938	11,395,308	2,487,441	148,554,056	29,992,787	211,315	39,755,898	10,466,290
Under \$5,000	36,785	68,522	10,911	82,304	233,519	50,230	*9,042	*34,861	*9,101
\$5,000 under \$10,000	*7,214	*47,196	*7,662	*7,535	*53,182	*12,194	22,606	170,200	46,194
\$10,000 under \$15,000	—	—	—	*3,014	*41,265	*8,976	*3,950	*43,245	*11,721
\$15,000 under \$20,000	*1,507	*29,770	*4,500	*3,014	*54,172	*12,200	*1,507	*29,125	*7,849
\$20,000 under \$25,000	*6,028	*133,910	*20,870	*1,507	*35,765	*6,167	*3,014	*65,551	*18,479
\$25,000 under \$30,000	125,826	3,729,040	565,643	—	—	—	—	—	—
\$30,000 under \$40,000	1,425,061	47,403,217	7,590,450	623,941	23,217,373	4,102,218	*1,795	*55,988	*15,311
\$40,000 under \$50,000	241,932	10,659,093	1,715,639	775,246	34,422,225	6,457,383	—	—	—
\$50,000 under \$75,000	107,445	6,237,298	1,005,075	657,294	38,949,392	7,895,927	*2,544	*183,399	*48,981
\$75,000 under \$100,000	13,409	1,147,108	182,949	182,416	15,551,990	3,347,210	40,598	3,704,079	946,226
\$100,000 under \$200,000	7,139	855,609	138,699	109,207	14,535,043	3,239,952	88,722	11,898,695	3,123,465
\$200,000 or more	1,730	963,174	152,911	41,963	21,460,130	4,860,331	37,537	23,570,554	6,238,962

Size of adjusted gross income	Total income tax as a percentage of adjusted gross income—Continued								
	30 under 50 percent			50 under 100 percent			100 percent or more		
	Number of returns (28)	Adjusted gross income less deficit (29)	Total income tax (30)	Number of returns (31)	Adjusted gross income less deficit (32)	Total income tax (33)	Number of returns (34)	Adjusted gross income less deficit (35)	Total income tax (36)
All returns	30,777	3,286,094	1,166,990	23,250	1,030,432	727,903	15,202	-2,738,507	789,984
Under \$5,000	*1,507	*1,861	*659	*3,014	*9,635	*6,345	8,984	-2,969,120	108,369
\$5,000 under \$10,000	*3,383	*31,085	*9,556	*1,528	*11,477	*5,800	*1,509	*8,774	*23,996
\$10,000 under \$15,000	—	—	—	*3,015	*39,505	*25,561	*68	*839	*1,042
\$15,000 under \$20,000	*3,884	*75,772	*31,280	*1,643	*32,007	*20,656	*1,517	*30,027	*31,166
\$20,000 under \$25,000	..	..	..	*4,200	*90,575	*69,710	..	..	..
\$25,000 under \$30,000	*4,174	*111,812	*42,320	*1,508	*42,083	*38,119	..	..	..
\$30,000 under \$40,000	*1,804	*68,976	*33,163	*26	*905	*566	*1,727	*66,960	*447,051
\$40,000 under \$50,000	*25	*1,025	*385	*2,426	*106,046	*80,259	*139	*6,016	*6,393
\$50,000 under \$75,000	7,245	456,007	159,260	*3,490	*184,802	*119,891	*7	*381	*1,151
\$75,000 under \$100,000	*1,099	*101,051	*32,857	*801	*63,087	*39,706	*1,160	*104,556	*159,877
\$100,000 under \$200,000	4,147	583,901	203,045	*1,600	*450,309	*321,291	*92	*13,061	*20,938
\$200,000 or more	3,509	1,854,604	654,462	..	..	..	..	..	..
Joint returns	15,449	2,250,738	802,631	14,918	683,720	472,166	7,914	-2,230,475	252,942
Under \$5,000	—	—	—	*3,035	*18,797	*10,939	*6,578	*-2,348,995	*69,390
\$5,000 under \$10,000	*369	*3,518	*1,247	..	..	..	..	..	..
\$10,000 under \$15,000	—	—	—	*3,015	*39,505	*25,561	*68	*839	*1,042
\$15,000 under \$20,000	*2,371	*38,373	*16,585	*1,643	*32,007	*20,656	*99	*144	*422
\$20,000 under \$25,000	*1,507	*37,284	*14,662	*2,693	*57,959	*46,036	..	..	..
\$25,000 under \$30,000	*30	*804	*357	—	—	—	—	—	—
\$30,000 under \$40,000	*60	*2,942	*992	*26	*905	*566	*4	*119	*591
\$40,000 under \$50,000	*4	*170	*62	*702	*33,762	*31,403	*3	*101	*365
\$50,000 under \$75,000	*6,101	*390,851	*133,294	*1,765	*97,663	*51,917	*5	*261	*1,008
\$75,000 under \$100,000	*392	*38,088	*13,722	*801	*63,087	*39,706	*1,160	*104,556	*159,877
\$100,000 under \$200,000	2,144	275,842	104,145	*1,237	*340,034	*245,401	*88	*12,500	*20,145
\$200,000 or more	2,450	1,462,866	517,563	..	..	..	..	..	..
Single returns	13,925	780,065	272,705	8,195	285,991	199,034	5,565	-223,659	509,248
Under \$5,000	*1,507	*1,861	*659	*1,507	*2,315	*1,206	2,193	*-305,813	31,879
\$5,000 under \$10,000	*3,020	*27,681	*8,344	—	—	—	*1,508	*8,784	*24,033
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	..	..	..	*1,507	*32,616	*23,674	..	..	..
\$20,000 under \$25,000	..	..	..	*1,508	*42,083	*38,119	..	..	..
\$25,000 under \$30,000	*4,143	*111,008	*41,963	—	—	—	..	..	..
\$30,000 under \$40,000	*1,724	*66,034	*32,170	—	—	—	*1,724	*66,841	*446,460
\$40,000 under \$50,000	..	..	..	*3,449	*119,423	*116,830	*137	*5,968	*6,083
\$50,000 under \$75,000	*1,129	*64,106	*25,515	..	..	..	..	..	..
\$75,000 under \$100,000	..	..	..	..	..	..	..	..	..
\$100,000 under \$200,000	*1,929	*294,434	*94,719	*221	*27,838	*18,181	*4	*560	*793
\$200,000 or more	473	194,942	69,334	*3	*1,716	*1,025	..	..	..

* Estimate should be used with caution because of the small number of sample returns on which it is based.

.. Data combined to avoid disclosure of information for specific taxpayers.

NOTE: Data may not add to totals because of rounding.

Table 3.3—All Returns: Tax Liability, Tax Credits and Taxpayments, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns	Total tax liability		Tax credits							Earned income credit used to offset income tax before credits	
		Number of returns	Amount	Total		Child care credit		Credit for the elderly or disabled		Number of returns		Amount
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
All returns, total	112,135,673	91,065,351	451,872,888	12,034,697	6,131,134	2,439,471	319,758	64,490	5,339,062	1,379,528		
No adjusted gross income	822,952	125,388	260,072	156	296	—	—	—	27	*3		
\$1 under \$5,000	16,769,495	5,665,859	840,639	11,436	1,179	—	—	—	*1,507	*113		
\$5,000 under \$10,000	15,006,777	9,791,496	4,256,282	622,264	97,847	10,157	142,945	26,007	417,273	60,432		
\$10,000 under \$15,000	14,302,945	11,011,112	10,348,091	2,750,390	1,009,809	158,858	**169,277	**36,485	2,348,424	809,874		
\$15,000 under \$20,000	11,738,291	11,206,373	16,606,040	2,873,166	834,150	273,422	**	**	2,571,831	509,107		
\$20,000 under \$25,000	9,332,301	9,217,916	19,508,059	746,757	340,336	292,325	7,535	*1,998	—	—		
\$25,000 under \$30,000	7,615,124	7,568,608	21,980,466	614,372	259,867	213,781	—	—	—	—		
\$30,000 under \$40,000	12,100,369	12,069,474	48,001,003	1,221,068	546,377	427,717	—	—	—	—		
\$40,000 under \$50,000	8,590,272	8,566,649	46,329,536	954,845	411,154	324,823	—	—	—	—		
\$50,000 under \$75,000	9,921,341	9,912,844	84,801,135	1,338,613	629,415	506,436	—	—	—	—		
\$75,000 under \$100,000	3,059,386	3,055,599	44,380,602	440,173	348,950	146,730	—	—	—	—		
\$100,000 under \$200,000	2,090,358	2,088,707	56,482,929	295,202	441,332	†	—	—	—	—		
\$200,000 under \$500,000	612,814	612,257	42,338,111	116,763	452,987	†	—	—	—	—		
\$500,000 under \$1,000,000	115,646	115,540	19,008,719	29,889	242,501	1,702	—	—	—	—		
\$1,000,000 or more	57,603	57,529	36,731,205	19,603	514,932	539	—	—	—	—		
Taxable returns, total	89,178,355	89,178,355	450,453,062	8,954,590	5,027,841	2,181,317	207,817	41,807	2,847,637	748,289		
No adjusted gross income	5,961	5,961	105,812	77	*168	—	—	—	**	**		
\$1 under \$5,000	4,990,882	4,990,882	583,790	*7,486	—	—	—	—	—	—		
\$5,000 under \$10,000	9,324,913	9,324,913	3,983,798	85,421	12,432	—	69,397	11,169	**1,359	**259		
\$10,000 under \$15,000	10,643,030	10,643,030	10,052,845	693,862	323,872	13,004	**130,884	**28,639	557,798	287,669		
\$15,000 under \$20,000	11,058,757	11,058,757	16,420,662	2,480,094	678,633	194,094	**	**	2,288,479	460,361		
\$20,000 under \$25,000	9,173,782	9,173,782	19,421,519	704,903	304,202	275,007	7,535	*1,998	—	—		
\$25,000 under \$30,000	7,541,919	7,541,919	21,920,063	594,863	229,779	211,501	—	—	—	—		
\$30,000 under \$40,000	12,046,515	12,046,515	47,934,013	1,204,773	499,597	426,143	—	—	—	—		
\$40,000 under \$50,000	8,560,180	8,560,180	46,313,570	947,300	388,759	323,192	—	—	—	—		
\$50,000 under \$75,000	9,905,916	9,905,916	84,785,035	1,336,302	620,224	506,436	—	—	—	—		
\$75,000 under \$100,000	3,053,791	3,053,791	44,375,413	438,620	347,515	146,730	—	—	—	—		
\$100,000 under \$200,000	2,087,727	2,087,727	56,479,867	294,789	433,898	†	†	—	—	—		
\$200,000 under \$500,000	611,980	611,980	42,337,065	116,643	446,973	†	—	—	—	—		
\$500,000 under \$1,000,000	115,492	115,492	19,008,496	29,871	240,510	1,702	—	—	—	—		
\$1,000,000 or more	57,510	57,510	36,731,113	19,586	501,222	539	—	—	—	—		
Non taxable returns, total	22,957,318	1,886,996	1,419,826	3,080,107	1,103,293	258,154	111,941	22,683	2,491,426	631,239		

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits and Taxpayments, by Size of Adjusted Gross Income—Continued
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax Credits—Continued						Income tax after credits			Total income tax		
	Minimum tax credit		Foreign tax credit		General business credit		Other tax credits		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
All returns, total	39,869	252,593	641,557	1,311,742	332,419	593,192	26,111	44,914	89,162,747	432,109,004	89,178,355	432,939,998
No adjusted gross income	†	†	†	†	126	267	—	—	1,171	35,529	5,961	102,251
\$1 under \$5,000	—	—	†	†	*1,507	*910	—	—	4,990,881	560,265	4,990,882	564,320
\$5,000 under \$10,000	—	—	10,293	358	*8,908	*726	—	—	9,323,820	3,582,821	9,324,913	3,584,847
\$10,000 under \$15,000	—	—	24,699	5,756	24,435	9,154	*3,014	*151	10,642,063	9,322,358	10,643,030	9,323,866
\$15,000 under \$20,000	—	—	29,860	8,147	40,502	31,231	—	—	11,058,593	15,284,643	11,058,757	15,295,442
\$20,000 under \$25,000	—	—	31,717	12,862	26,118	24,504	—	—	9,173,777	18,192,386	9,173,782	18,193,167
\$25,000 under \$30,000	—	—	24,767	6,040	31,948	33,893	*2,272	*54	7,541,135	20,714,933	7,541,919	20,726,836
\$30,000 under \$40,000	†	†	61,534	42,210	38,686	63,186	*2,426	*110	12,046,275	45,588,526	12,046,515	45,597,597
\$40,000 under \$50,000	*5,176	*2,863	62,846	21,545	26,677	54,073	*5,297	*2,437	8,558,417	44,013,965	8,560,180	44,034,240
\$50,000 under \$75,000	**	**	98,872	66,372	34,044	44,901	*2,331	*1,568	9,903,386	81,195,853	9,905,916	81,250,313
\$75,000 under \$100,000	*1,356	*2,897	80,121	135,618	36,959	63,509	*1,129	*196	3,052,872	42,632,646	3,053,791	42,671,702
\$100,000 under \$200,000	11,737	29,706	110,093	261,429	33,197	77,613	3,148	3,274	2,085,957	54,321,970	2,087,727	54,471,932
\$200,000 under \$500,000	13,804	63,715	65,256	287,263	18,349	56,287	4,427	12,058	611,615	41,468,925	611,980	41,631,082
\$500,000 under \$1,000,000	*6,880	*133,187	19,651	158,713	**10,963	**132,939	†	†	115,343	18,759,023	115,492	18,882,584
\$1,000,000 or more	**	**	13,416	305,272	**	**	†	†	57,441	36,435,162	57,510	36,609,819
Taxable returns, total	39,587	249,366	620,137	1,247,068	238,400	473,979	26,105	44,363	89,162,747	432,109,004	89,178,355	432,939,998
No adjusted gross income	†	†	†	†	*75	*157	—	—	1,171	35,529	5,961	102,251
\$1 under \$5,000	—	—	†	†	—	—	—	—	4,990,881	560,265	4,990,882	564,320
\$5,000 under \$10,000	—	—	10,293	358	*2,865	*478	—	—	9,323,820	3,582,821	9,324,913	3,584,847
\$10,000 under \$15,000	—	—	19,720	2,706	*7,037	*2,171	*3,014	*151	10,642,063	9,322,358	10,643,030	9,323,866
\$15,000 under \$20,000	—	—	25,409	3,755	13,663	8,179	—	—	11,058,593	15,284,643	11,058,757	15,295,442
\$20,000 under \$25,000	—	—	29,846	9,514	13,751	10,534	—	—	9,173,777	18,192,386	9,173,782	18,193,167
\$25,000 under \$30,000	—	—	23,694	4,036	17,909	10,153	*2,272	*54	7,541,135	20,714,933	7,541,919	20,726,836
\$30,000 under \$40,000	—	—	55,782	25,048	30,619	35,142	*2,426	*110	12,046,275	45,588,526	12,046,515	45,597,597
\$40,000 under \$50,000	*4,965	*2,414	61,013	12,858	22,828	42,442	*5,297	*2,437	8,558,417	44,013,965	8,560,180	44,034,240
\$50,000 under \$75,000	**	**	98,594	64,744	32,011	37,341	*2,331	*1,568	9,903,386	81,195,853	9,905,916	81,250,313
\$75,000 under \$100,000	*1,356	*2,897	80,121	135,618	35,406	62,073	*1,129	*196	3,052,872	42,632,646	3,053,791	42,671,702
\$100,000 under \$200,000	11,716	29,184	109,948	255,899	32,949	76,231	3,148	3,274	2,085,957	54,321,970	2,087,727	54,471,932
\$200,000 under \$500,000	13,767	62,802	65,184	282,295	18,330	56,156	4,423	12,057	611,615	41,468,925	611,980	41,631,082
\$500,000 under \$1,000,000	*6,869	*131,860	19,644	157,656	**10,957	**132,922	†	†	115,343	18,759,023	115,492	18,882,584
\$1,000,000 or more	**	**	13,401	292,523	**	**	†	†	57,441	36,435,162	57,510	36,609,819
Nontaxable returns, total	282	3,227	21,420	64,673	94,019	119,214	6	552	—	—	—	—

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits and Taxpayments, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Alternative minimum tax		All other taxes										Social security taxes on tip income	
	Number of returns	Amount	Total		Tax from recomputing prior-year investment credit		Penalty tax on qualified retirement plans		Self-employment tax		Number of returns	Amount		
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)		
All returns, total	117,483	830,994	13,603,948	19,512,148	121,380	91,608	2,080,968	975,572	11,587,550	18,403,176	158,652	20,876		
No adjusted gross income	4,820	66,722	150,484	173,260	3,100	832	13,290	19,998	135,456	152,428	*3	()		
\$1 under \$5,000	7,544	*4,056	948,762	343,799	*3,326	*3,071	20,475	4,815	914,115	334,946	16,280	968		
\$5,000 under \$10,000	*2,601	*2,026	1,384,636	946,225	*1,358	*45	60,030	14,371	1,308,666	928,342	29,992	3,467		
\$10,000 under \$15,000	*1,036	*1,507	1,352,730	1,223,646	*1,560	*230	112,109	24,309	1,223,976	1,194,558	33,155	4,548		
\$15,000 under \$20,000	*1,350	*10,799	1,263,295	1,332,727	*10,341	*1,067	156,303	32,722	1,105,730	1,294,662	23,964	4,681		
\$20,000 under \$25,000	*381	*782	1,120,933	1,314,891	**	**	152,923	27,374	964,658	1,284,680	16,429	2,432		
\$25,000 under \$30,000	*2,307	*11,903	1,043,610	1,253,630	*9,367	*1,251	175,983	49,505	868,007	1,200,432	*13,415	*2,442		
\$30,000 under \$40,000	4,286	9,071	1,752,106	2,403,406	10,668	1,548	381,530	165,184	1,412,064	2,235,926	*7,912	*749		
\$40,000 under \$50,000	4,216	20,275	1,412,159	2,295,296	*5,770	*360	320,004	120,332	1,129,645	2,173,912	*9,430	*690		
\$50,000 under \$75,000	19,138	54,460	1,792,871	3,550,822	*31,923	*8,366	451,500	205,217	1,380,792	3,339,889	*4,803	*509		
\$75,000 under \$100,000	15,461	39,056	627,800	1,708,900	**	**	146,936	139,365	492,959	1,566,147	*2,258	*229		
\$100,000 under \$200,000	30,316	149,962	534,381	2,010,997	15,459	10,889	68,688	94,927	465,610	1,904,871	*1,011	*161		
\$200,000 under \$500,000	16,374	162,157	173,746	707,029	17,350	9,677	18,305	56,519	149,386	640,735	**	**		
\$500,000 under \$1,000,000	4,927	123,560	29,652	126,136	5,827	7,080	**2,893	**20,932	24,171	104,820	—	—		
\$1,000,000 or more	2,728	174,658	16,784	121,386	5,329	47,192	**	**	12,314	46,829	—	—		
Taxable returns, total	117,483	830,994	11,026,443	17,513,064	114,202	85,201	1,941,112	911,762	9,152,617	16,477,648	125,791	17,554		
No adjusted gross income	4,820	66,722	889	3,561	54	76	38	398	814	3,086	—	—		
\$1 under \$5,000	*7,544	*4,056	89,693	19,470	—	—	—	—	85,172	19,237	*4,521	*232		
\$5,000 under \$10,000	*2,601	*2,026	613,476	398,951	*1,358	*45	23,818	2,909	575,798	394,422	17,936	1,575		
\$10,000 under \$15,000	*1,036	*1,507	830,613	728,979	*1,560	*230	73,041	14,935	740,312	709,960	24,113	3,854		
\$15,000 under \$20,000	*1,350	*10,799	1,098,043	1,125,220	*10,337	*1,065	140,241	25,691	948,780	1,094,186	23,964	4,681		
\$20,000 under \$25,000	*381	*782	1,076,799	1,228,352	**	**	150,714	27,232	922,735	1,198,284	16,429	2,432		
\$25,000 under \$30,000	*2,307	*11,903	1,016,921	1,193,227	*9,367	*1,251	173,059	47,461	844,242	1,142,073	*13,415	*2,442		
\$30,000 under \$40,000	4,286	9,071	1,729,147	2,336,417	9,955	1,063	375,519	160,928	1,394,207	2,173,677	*7,912	*749		
\$40,000 under \$50,000	4,216	20,275	1,405,691	2,279,330	*5,770	*360	318,280	118,091	1,124,900	2,160,188	*9,430	*690		
\$50,000 under \$75,000	19,138	54,460	1,785,942	3,534,723	*31,900	*6,403	449,631	202,569	1,374,255	3,328,400	*4,803	*509		
\$75,000 under \$100,000	15,461	39,056	625,991	1,703,712	**	**	146,912	139,357	491,175	1,560,968	*2,258	*229		
\$100,000 under \$200,000	30,316	149,962	533,401	2,007,935	15,435	10,883	68,688	94,927	464,654	1,901,815	*1,011	*161		
\$200,000 under \$500,000	16,374	162,157	173,469	705,983	17,324	9,600	18,284	56,375	149,142	639,915	**	**		
\$500,000 under \$1,000,000	4,927	123,560	29,604	125,912	5,819	7,047	**2,887	**20,888	24,132	104,673	—	—		
\$1,000,000 or more	2,728	174,658	16,765	121,294	5,323	47,177	**	**	12,300	46,764	—	—		
Non-taxable returns, total	—	—	2,577,505	1,999,084	7,178	6,407	139,856	63,810	2,434,933	1,925,528	32,860	3,322		

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits and Taxpayments, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Earned income credit used to offset other taxes		Number of returns without tax liability	Total			Income tax withheld		Estimated taxpayments		Payment with request for extension of filing time	
	Number of returns	Amount		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)		
All returns, total	1,262,730	580,343	21,070,323	102,992,534	468,964,636	95,828,144	362,405,397	12,660,900	88,108,845	1,286,619	17,416,394	
No adjusted gross income	43,430	15,456	697,564	378,771	1,152,148	249,893	589,021	97,344	422,144	24,812	119,908	
\$1 under \$5,000	194,343	67,480	11,103,637	12,994,735	2,859,871	12,623,584	2,614,345	330,760	214,095	61,150	24,753	
\$5,000 under \$10,000	458,901	275,544	5,215,281	12,358,770	8,076,117	11,581,626	7,253,676	869,671	694,084	70,430	117,729	
\$10,000 under \$15,000	441,434	199,733	3,291,833	13,050,870	15,424,008	11,832,954	13,700,743	1,490,063	1,616,837	79,151	92,190	
\$15,000 under \$20,000	124,623	22,129	531,918	11,343,161	20,813,855	10,363,180	18,471,448	1,430,886	2,203,171	69,160	113,312	
\$20,000 under \$25,000	—	—	114,385	9,129,162	23,347,858	8,415,331	20,835,960	1,152,975	2,415,906	58,097	84,980	
\$25,000 under \$30,000	—	—	46,516	7,504,662	25,257,533	7,046,913	22,836,367	910,422	2,278,750	52,089	134,551	
\$30,000 under \$40,000	—	—	30,895	11,973,175	53,952,807	11,268,865	48,484,549	1,487,466	5,151,268	124,347	297,207	
\$40,000 under \$50,000	—	—	23,623	8,515,207	50,485,475	8,032,563	44,821,937	1,196,600	5,374,921	90,310	272,910	
\$50,000 under \$75,000	—	—	8,497	9,860,609	86,692,430	9,261,628	74,873,112	1,661,759	10,900,285	192,813	748,372	
\$75,000 under \$100,000	—	—	3,787	3,029,579	42,687,214	2,755,480	33,693,399	784,950	8,109,647	125,155	673,989	
\$100,000 under \$200,000	—	—	1,651	2,073,497	51,446,332	1,765,729	34,554,080	815,247	14,672,356	181,762	1,931,085	
\$200,000 under \$500,000	—	—	557	608,039	37,997,061	491,913	21,726,194	318,133	13,224,974	107,264	2,897,428	
\$500,000 under \$1,000,000	—	—	106	114,979	16,975,072	92,591	8,563,350	71,789	6,447,741	29,521	1,919,337	
\$1,000,000 or more	—	—	74	57,318	31,796,854	45,895	9,387,216	42,833	14,382,667	20,559	7,988,645	
Taxable returns, total	*21	*18	—	84,955,606	459,282,897	78,658,299	354,427,706	11,829,849	86,683,236	1,162,070	17,190,865	
No adjusted gross income	*21	*18	—	4,928	124,829	3,153	25,053	1,937	46,124	1,469	51,891	
\$1 under \$5,000	—	—	—	3,610,733	905,536	3,486,938	843,850	128,175	53,735	28,634	7,832	
\$5,000 under \$10,000	—	—	—	8,156,748	5,944,687	7,635,052	5,428,354	610,603	432,198	48,417	82,467	
\$10,000 under \$15,000	—	—	—	9,839,430	12,487,134	8,746,263	11,009,736	1,347,049	1,402,913	53,340	66,659	
\$15,000 under \$20,000	—	—	—	10,745,789	20,080,774	9,820,376	17,887,341	1,362,265	2,067,807	64,823	104,705	
\$20,000 under \$25,000	—	—	—	9,006,587	23,084,193	8,315,456	20,634,749	1,131,639	2,369,938	50,940	69,164	
\$25,000 under \$30,000	—	—	—	7,443,133	25,112,304	6,996,778	22,738,820	898,339	2,243,723	48,889	123,151	
\$30,000 under \$40,000	—	—	—	11,935,128	53,817,485	11,242,138	48,408,305	1,477,250	5,099,591	122,655	292,970	
\$40,000 under \$50,000	—	—	—	8,489,191	50,321,032	8,012,063	44,741,133	1,185,621	5,312,325	88,886	252,185	
\$50,000 under \$75,000	—	—	—	9,846,608	86,613,810	9,253,326	74,838,689	1,654,188	10,866,891	190,479	738,025	
\$75,000 under \$100,000	—	—	—	3,026,383	42,661,701	2,752,634	33,675,620	784,648	8,102,847	125,061	673,090	
\$100,000 under \$200,000	—	—	—	2,071,442	51,403,647	1,764,262	34,532,833	814,849	14,655,448	181,266	1,926,730	
\$200,000 under \$500,000	—	—	—	607,399	37,974,048	491,496	21,717,398	317,790	13,212,564	107,162	2,895,714	
\$500,000 under \$1,000,000	—	—	—	114,856	16,966,003	92,516	8,560,416	71,705	6,442,926	29,506	1,918,196	
\$1,000,000 or more	—	—	—	57,250	31,785,714	45,848	9,385,411	42,792	14,374,208	20,546	7,988,089	
Nontaxable returns, total	1,262,709	580,326	21,070,323	18,036,928	9,681,739	17,169,845	7,977,690	831,051	1,425,610	124,548	225,529	

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits and Taxpayments, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxpayments—Continued						Earned income credit, refundable portion	
	Excess social security taxes withheld		Credit for Federal tax on gasoline and special fuels		Credit from regulated investment companies		Number of returns	Amount
	Number of returns (47)	Amount (48)	Number of returns (49)	Amount (50)	Number of returns (51)	Amount (52)		
All returns, total	932,845	844,233	751,328	141,777	78,141	47,712	8,277,047	4,635,516
No adjusted gross income	2,982	3,407	55,852	17,405	2,139	125	57,661	19,177
\$1 under \$5,000	*2,219	*355	52,664	5,414	*3,014	*909	1,873,357	670,566
\$5,000 under \$10,000	—	—	69,691	10,612	*1,507	*17	3,068,634	2,394,869
\$10,000 under \$15,000	*125	*61	73,504	14,017	*982	*160	2,868,241	1,475,286
\$15,000 under \$20,000	*1,431	*226	94,201	25,601	*2,717	*118	409,154	75,617
\$20,000 under \$25,000	**	**	70,788	10,438	*3,950	*553	—	—
\$25,000 under \$30,000	*3,588	*410	56,615	6,965	*6,643	*490	—	—
\$30,000 under \$40,000	5,585	2,415	**165,142	**23,023	*4,286	*2,669	—	—
\$40,000 under \$50,000	36,972	6,206	—	—	*4,196	*1,178	—	—
\$50,000 under \$75,000	355,658	188,804	62,954	8,786	17,329	3,071	—	—
\$75,000 under \$100,000	235,763	189,420	24,175	6,571	**24,033	**17,344	—	—
\$100,000 under \$200,000	205,385	281,017	18,451	4,639	5,233	7,026	—	—
\$200,000 under \$500,000	60,942	135,717	**6,309	**6,458	†	†	—	—
\$500,000 under \$1,000,000	14,474	38,475	—	—	†	†	—	—
\$1,000,000 or more	7,722	27,721	981	1,847	—	—	—	—
Taxable returns, total	924,650	839,067	519,700	95,719	71,234	46,300	—	—
No adjusted gross income	88	257	147	1,505	—	—	—	—
\$1 under \$5,000	—	—	—	—	**1,508	**119	—	—
\$5,000 under \$10,000	—	—	15,759	1,652	*1,507	*17	—	—
\$10,000 under \$15,000	*53	*32	39,991	7,770	*68	*25	—	—
\$15,000 under \$20,000	**1,360	**108	75,180	20,727	*1,358	*109	—	—
\$20,000 under \$25,000	**	**	65,709	9,768	*3,950	*553	—	—
\$25,000 under \$30,000	*3,516	*313	50,085	5,808	*6,643	*490	—	—
\$30,000 under \$40,000	*4,730	*1,591	**160,176	**20,698	*3,373	*2,653	—	—
\$40,000 under \$50,000	35,248	5,888	—	—	*4,196	*1,178	—	—
\$50,000 under \$75,000	355,589	158,754	62,830	8,380	17,329	3,071	—	—
\$75,000 under \$100,000	235,763	189,420	24,175	6,571	**23,961	**17,310	—	—
\$100,000 under \$200,000	205,226	280,933	18,374	4,549	—	—	—	—
\$200,000 under \$500,000	60,901	135,631	**6,299	**6,448	5,229	7,024	—	—
\$500,000 under \$1,000,000	14,458	38,435	—	—	†	†	—	—
\$1,000,000 or more	7,717	27,706	976	1,842	—	—	—	—
Nontaxable returns, total	8,195	5,167	231,627	46,058	6,907	1,412	8,277,047	4,635,516

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Overpayment					Tax due at time of filing		Predetermined estimated tax penalty		
	Total		Refunded		Credited to 1990 estimated tax	Number of returns	Amount	Number of returns	Amount	
	Number of returns	Amount	Number of returns	Amount						
	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
All returns, total	80,908,202	81,252,232	78,271,544	71,735,083	3,753,154	9,517,149	28,044,448	60,156,928	3,569,721	631,371
No adjusted gross income	367,036	1,029,144	330,195	849,814	50,593	179,331	78,546	119,563	17,463	1,672
\$1 under \$5,000	12,696,405	3,126,210	12,630,031	3,077,851	116,032	48,358	2,510,821	438,115	45,621	1,702
\$5,000 under \$10,000	11,473,704	7,156,422	11,278,854	7,007,707	290,219	148,715	2,666,459	949,534	168,895	7,817
\$10,000 under \$15,000	11,073,964	8,136,286	10,782,556	7,907,552	435,320	228,734	3,029,552	1,602,443	305,793	17,361
\$15,000 under \$20,000	8,916,765	6,170,536	8,658,551	5,926,435	374,607	244,101	2,771,598	1,911,711	324,393	24,018
\$20,000 under \$25,000	7,162,200	5,710,288	6,914,306	5,467,061	330,247	243,227	2,131,433	1,900,836	304,489	30,347
\$25,000 under \$30,000	5,543,927	5,275,279	5,357,955	5,072,859	263,833	202,420	2,058,406	2,025,983	258,060	27,772
\$30,000 under \$40,000	8,880,336	10,309,737	8,584,429	9,792,839	417,680	516,898	3,192,165	4,408,512	436,371	50,581
\$40,000 under \$50,000	6,017,499	8,290,482	5,782,379	7,812,795	328,593	477,687	2,556,412	4,184,620	**1,024,912	**151,851
\$50,000 under \$75,000	5,954,527	10,490,987	5,620,818	9,601,125	469,415	889,862	**5,434,505	**14,348,436	**	**
\$75,000 under \$100,000	1,571,169	3,890,902	1,405,083	3,186,861	249,645	704,040	**	**	277,453	62,682
\$100,000 under \$200,000	912,873	4,419,553	729,283	3,149,326	251,225	1,270,227	1,169,116	9,569,178	270,301	113,028
\$200,000 under \$500,000	256,008	2,969,652	160,231	1,562,865	121,447	1,406,787	354,696	7,391,434	107,571	80,733
\$500,000 under \$1,000,000	53,586	1,367,994	27,642	578,801	31,991	789,193	61,549	3,434,076	18,888	32,435
\$1,000,000 or more	28,204	2,908,760	9,233	741,191	22,307	2,167,569	29,190	7,872,485	9,511	29,373
Taxable returns, total	62,281,142	67,551,288	59,844,131	58,499,252	3,429,080	9,052,036	26,745,508	59,341,846	3,413,511	619,803
No adjusted gross income	3,178	52,515	2,871	38,059	1,660	14,456	1,867	33,751	359	254
\$1 under \$5,000	3,007,902	587,333	2,986,803	580,329	42,056	7,004	1,966,841	266,420	26,681	833
\$5,000 under \$10,000	6,981,289	2,743,314	6,845,694	2,676,309	192,869	67,005	2,323,629	788,008	122,719	5,584
\$10,000 under \$15,000	7,797,903	3,853,991	7,540,282	3,693,858	377,883	160,133	2,828,460	1,434,614	269,065	14,913
\$15,000 under \$20,000	8,345,136	5,450,800	8,096,364	5,230,323	352,528	220,476	2,693,806	1,813,330	303,285	22,053
\$20,000 under \$25,000	7,050,835	5,492,338	6,811,452	5,275,439	320,012	216,899	2,108,611	1,859,241	298,883	29,577
\$25,000 under \$30,000	5,491,195	5,153,764	5,307,170	4,959,485	260,058	194,279	2,044,377	1,988,872	254,823	27,349
\$30,000 under \$40,000	8,853,272	10,202,909	8,557,457	9,690,320	414,983	512,589	3,176,324	4,368,834	430,667	49,397
\$40,000 under \$50,000	5,992,899	8,138,367	5,758,979	7,684,026	325,301	454,340	2,554,290	4,180,829	**1,023,761	**151,697
\$50,000 under \$75,000	5,941,726	10,421,117	5,610,838	9,533,892	466,201	887,226	**5,432,841	**14,341,082	**	**
\$75,000 under \$100,000	1,567,973	3,870,571	1,402,094	3,170,288	249,366	700,283	**	**	277,453	62,682
\$100,000 under \$200,000	910,820	4,380,007	727,628	3,115,717	250,708	1,264,291	1,169,113	9,569,170	269,909	112,943
\$200,000 under \$500,000	255,406	2,947,501	159,764	1,545,187	121,222	1,402,314	354,629	7,391,237	107,518	80,719
\$500,000 under \$1,000,000	53,469	1,359,069	27,547	571,238	31,952	787,831	61,536	3,433,993	18,881	32,432
\$1,000,000 or more	28,140	2,897,693	9,187	734,783	22,280	2,162,910	29,183	7,872,464	9,506	29,371
Nontaxable returns, total	18,627,059	13,700,944	18,427,413	13,235,831	324,074	465,113	1,298,940	815,082	156,210	11,568

* Estimate should be used with caution because of the small number of sample returns on which it is based

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals

** Data combined to avoid disclosure of information for specific taxpayers

() Less than \$500

NOTE: Detail may not add to totals because of rounding

Table 3.4—Returns with Modified Taxable Income: Tax Classified by Both the Marginal Rate and Each Rate at Which Tax Was Computed

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Tax rate classes	All returns									
	Classified by the highest marginal rate at which tax was computed									
	Tax generated					Income tax after credits				
	Number of returns	Adjusted gross income	At all rates	At marginal rate	Total	At all rates	Adjusted gross income	Modified taxable income	Number of returns	Income tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All tax rates	92,211,584	3,199,434,253	2,177,433,197	1,367,570,697	436,431,173	299,240,398	432,028,341	13.5	19.8	92,211,584
15 percent (Form 8814)	6,929	— 121,153	4,553	4,553	685	685	436	(1)	9.6	68,653
15 percent	64,823,867	1,263,193,018	676,341,280	676,319,020	101,420,116	101,447,853	98,407,588	7.8	14.5	1,365,027,058
28 percent	23,111,722	1,181,277,573	871,952,773	268,550,771	165,704,644	75,194,216	165,537,375	14.0	19.0	204,754,059
33 percent ¹	3,188,030	366,926,905	291,151,511	84,898,453	74,696,124	28,016,490	74,357,785	20.3	25.5	106,099,517
33 percent ¹	729,455	386,753,400	336,779,614	336,776,419	94,297,877	94,297,397	93,395,351	24.1	27.7	28,016,490
28 percent ¹	351,582	1,404,509	1,203,466	1,021,481	311,726	283,757	329,807	23.5	27.4	94,297,397
Form 8615	—	—	—	—	—	—	—	—	—	283,757
Joint returns and returns of surviving spouses										
Tax rate classes	Classified by the highest marginal rate at which tax was computed									
	Tax generated					Income tax after credits				
	Number of returns	Adjusted gross income	At all rates	At marginal rate	Total	At all rates	Adjusted gross income	Modified taxable income	Number of returns	Income tax generated at rate
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(24)
All tax rates	42,507,029	2,197,805,595	1,505,244,154	924,059,396	309,051,391	209,968,653	306,210,477	13.9	20.3	42,507,029
15 percent (Form 8814)	4,057	— 118,663	3,678	3,678	554	554	418	(1)	11.4	60,886
15 percent	26,174,985	757,311,370	400,378,045	400,360,719	60,044,151	60,054,108	58,686,174	7.7	14.7	889,816,364
28 percent	13,726,201	851,346,479	615,740,799	190,886,939	117,176,645	53,448,343	116,565,660	13.7	18.9	282,558,844
33 percent ¹	2,088,198	282,381,788	221,898,298	65,587,821	57,007,911	21,643,981	56,778,254	20.1	25.6	21,643,981
28 percent ¹	513,587	306,884,621	267,223,335	267,220,239	74,822,131	74,821,667	74,179,971	24.2	27.8	267,220,239
Form 8615	—	—	—	—	—	—	—	—	—	—
Separate returns of husbands and wives										
Tax rate classes	Classified by the highest marginal rate at which tax was computed									
	Tax generated					Income tax after credits				
	Number of returns	Adjusted gross income	At all rates	At marginal rate	Total	At all rates	Adjusted gross income	Modified taxable income	Number of returns	Income tax generated at rate
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(36)
All tax rates	1,786,665	48,094,237	34,019,136	22,291,877	7,238,969	5,207,507	7,152,710	14.9	21.0	1,786,665
15 percent (Form 8814)	—	—	—	—	—	—	—	—	—	—
15 percent	1,154,104	16,035,832	12,264,614	8,794,966	1,318,710	1,319,244	1,325,152	8.3	15.1	18,419,354
28 percent	526,132	16,640,675	12,264,614	4,122,667	2,375,251	1,154,347	2,363,406	14.2	19.3	6,225,472
33 percent ¹	95,800	7,139,867	5,767,851	2,182,544	1,531,331	720,240	1,518,474	21.3	26.3	2,182,544
28 percent ¹	10,629	8,277,863	7,191,705	7,191,701	2,013,677	2,013,676	1,945,678	23.5	27.1	7,191,701
Form 8615	—	—	—	—	—	—	—	—	—	—

Footnote(s) at end of table

Table 3.4—Returns with Modified Taxable Income: Tax Classified by Both the Marginal Rate and Each Rate at Which Tax Was Computed—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Tax rate classes	Returns of heads of households											
	Classified by the highest marginal rate at which tax was computed							Classified by each rate at which tax was computed				
	Number of returns	Modified taxable income		Tax generated		Income tax after credits		Number of returns	Income taxed at rate	Income tax generated at rate		
		At all rates	At marginal rate	At all rates	At marginal rate	Total	Adjusted gross income				Modified taxable income	
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All tax rates	8,214,230	193,863,734	108,717,603	80,551,103	18,855,144	14,295,404	17,103,047	8.8	15.7	8,214,230	108,717,603	18,858,560
15 percent (Form 8814)	1,511	717	756	756	113	113	113	5.9	12.4	14,992	7,584	1,137
15 percent	7,166,637	135,218,649	64,112,105	64,107,171	9,613,367	9,616,076	7,952,404	5.9	12.4	8,195,139	89,665,443	13,449,816
28 percent	962,393	43,559,660	32,079,300	8,162,393	5,873,039	2,285,470	5,824,096	13.4	18.2	1,028,502	10,763,793	3,013,862
33 percent ¹	66,109	7,326,560	5,747,083	1,502,517	1,470,696	495,831	1,461,454	19.9	25.4	66,109	1,502,517	495,831
28 percent ¹ Form 8615	17,580	7,778,148	6,778,359	6,778,265	1,897,929	1,897,914	1,865,092	24.0	27.5	17,580	6,778,265	1,897,914
Form 8615	—	—	—	—	—	—	—	—	—	—	—	—
Tax rate classes	Returns of single persons											
	Classified by the highest marginal rate at which tax was computed							Classified by each rate at which tax was computed				
	Number of returns	Modified taxable income		Tax generated		Income tax after credits		Number of returns	Income taxed at rate	Income tax generated at rate		
		At all rates	At marginal rate	At all rates	At marginal rate	Total	Adjusted gross income				Modified taxable income	
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All tax rates	39,703,659	759,670,687	529,452,303	340,668,319	101,285,669	69,768,834	101,562,108	13.4	19.2	39,703,659	529,452,303	101,299,284
15 percent (Form 8814)	30,329,500	354,623,962	203,056,283	203,056,283	30,458,443	30,458,443	30,443,877	8.6	15.0	39,511,908	367,125,897	55,068,885
15 percent	7,896,997	269,730,759	211,868,060	65,378,772	40,279,709	18,306,056	40,784,213	15.1	19.2	8,834,919	90,093,023	25,226,046
28 percent ¹	937,922	70,078,690	57,738,279	15,625,571	14,686,187	5,156,438	14,599,603	20.8	25.3	937,922	15,625,571	5,156,438
33 percent ¹	187,658	63,832,768	55,586,215	55,586,214	15,564,140	15,564,140	15,404,609	24.1	27.7	187,658	55,586,214	15,564,140
28 percent ¹ Form 8615	351,582	1,404,509	1,203,466	1,021,481	311,726	283,757	329,807	23.5	27.4	351,582	1,021,481	283,757

* Estimate should be used with caution because of the small number of sample returns on which it is based.

(1) Percentage not computed

(2) Less than .05 percent

(3) Less than .05 percent

(4) Data combined to avoid disclosure of information for specific taxpayers

¹ For 1989, the tax rate schedules contained only two basic rates: 15 percent and 28 percent. However, taxable income over certain levels was subject to an additional 5 percent tax, creating a temporary 33 percent marginal rate. The purpose behind this was to phase out the benefit of the 15 percent rate and the benefit of the deduction for personal exemptions for taxpayers and dependents. After these benefits were phased out, the marginal tax rate returned to 28 percent, the average tax rate was also 28 percent.

NOTE: Detail may not add to totals because of rounding.

Table 3.5—Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns with modified taxable income	Taxable income	Modified taxable income	Tax generated at all rates	Tax generated at specified rate					
					15 Percent (from Form 8814)			15 Percent		
					Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total	92,211,584	2,173,345,607	2,177,433,197	436,431,173	118,127	68,653	10,301	91,472,466	1,365,027,058	204,754,059
Under \$2,000	1,901,787	657,726	658,799	106,413	1,605	254	38	1,900,181	590,036	88,505
\$2,000 under \$4,000	2,148,866	1,398,650	1,403,211	226,075	*1,515	*758	*114	2,147,351	1,242,386	186,358
\$4,000 under \$6,000	2,789,622	3,477,958	3,473,458	531,678	*1,507	*1,914	*288	2,788,115	3,376,808	506,521
\$6,000 under \$8,000	4,000,530	8,319,790	8,300,702	1,259,760	—	—	—	4,000,530	8,163,861	1,224,579
\$8,000 under \$10,000	3,988,253	13,660,363	13,636,822	2,057,196	—	—	—	3,988,253	13,542,126	2,031,319
\$10,000 under \$12,000	5,002,772	21,653,514	21,632,159	3,246,164	*913	*457	*68	5,001,859	21,587,189	3,238,078
\$12,000 under \$14,000	5,255,305	30,064,596	30,045,504	4,507,842	—	—	—	5,255,305	30,015,547	4,502,332
\$14,000 under \$16,000	4,833,886	35,498,553	35,478,845	5,319,472	*1,358	*1,152	*174	4,832,527	35,477,693	5,321,654
\$16,000 under \$18,000	4,673,038	41,875,045	41,842,930	6,274,210	—	—	—	4,673,038	41,842,930	6,276,440
\$18,000 under \$20,000	4,379,375	46,542,828	46,520,586	6,980,469	*3,014	*1,878	*282	4,379,375	46,484,570	6,972,685
\$20,000 under \$25,000	9,215,631	122,363,183	122,347,800	18,436,508	*6,964	*3,227	*485	9,215,631	121,669,950	18,250,493
\$25,000 under \$30,000	7,560,712	131,904,440	131,912,855	20,914,418	*2,866	*1,201	*180	7,559,204	123,271,452	18,490,718
\$30,000 under \$40,000	12,062,779	278,320,160	278,350,440	45,652,790	*13,106	*7,732	*1,159	12,062,779	248,309,841	37,246,476
\$40,000 under \$50,000	8,566,122	263,107,712	263,170,933	44,319,430	15,611	8,836	1,325	8,566,122	225,897,799	33,884,670
\$50,000 under \$75,000	9,906,175	424,581,970	424,699,354	81,575,413	31,668	17,433	2,616	9,906,175	289,014,823	43,352,223
\$75,000 under \$100,000	3,055,245	193,047,596	193,148,326	42,800,332	12,060	9,006	1,350	3,054,116	90,269,179	13,540,377
\$100,000 under \$200,000	2,086,857	212,184,703	212,528,061	54,629,213	16,972	8,177	1,227	1,975,757	59,181,617	8,877,243
\$200,000 under \$500,000	611,757	146,390,252	148,944,159	41,780,219	7,330	5,606	841	165,358	5,067,640	760,146
\$500,000 under \$1,000,000	115,396	66,881,786	67,568,223	18,918,235	1,102	686	103	670	18,132	2,720
\$1,000,000 or more	57,476	131,414,782	131,770,029	36,895,335	535	338	51	118	3,479	522

Size of adjusted gross income	Tax generated at specified rate—Continued											
	28 Percent			33 Percent ¹			28 Percent ¹			Form 8615		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total	26,299,751	389,641,132	109,099,517	3,188,030	84,898,453	28,016,490	729,455	336,776,419	94,297,397	351,582	1,021,481	283,757
Under \$2,000	—	—	—	—	—	—	—	—	—	177,016	68,510	18,349
\$2,000 under \$4,000	—	—	—	—	—	—	—	—	—	97,226	160,068	40,411
\$4,000 under \$6,000	—	—	—	—	—	—	—	—	—	24,421	94,736	26,109
\$6,000 under \$8,000	—	—	—	—	—	—	—	—	—	23,791	136,841	37,004
\$8,000 under \$10,000	—	—	—	—	—	—	—	—	—	*12,056	*94,695	*27,826
\$10,000 under \$12,000	—	—	—	—	—	—	—	—	—	*4,521	*44,514	*10,387
\$12,000 under \$14,000	—	—	—	—	—	—	—	—	—	*2,443	*29,957	*8,003
\$14,000 under \$16,000	—	—	—	—	—	—	—	—	—	—	—	—
\$16,000 under \$18,000	—	—	—	—	—	—	—	—	—	—	—	—
\$18,000 under \$20,000	*7,387	*6,521	*1,826	—	—	—	—	—	—	*1,507	*27,618	*7,734
\$20,000 under \$25,000	797,290	612,086	171,384	—	—	—	—	—	—	*3,014	*62,537	*18,247
\$25,000 under \$30,000	2,510,248	8,600,978	2,408,274	—	—	—	—	—	—	*1,507	*39,224	*17,681
\$30,000 under \$40,000	3,683,792	29,981,192	8,394,734	—	—	—	—	—	—	*1,724	*51,674	*14,491
\$40,000 under \$50,000	4,934,874	37,241,512	10,427,623	18,025	22,786	7,519	—	—	—	—	—	—
\$50,000 under \$75,000	9,208,855	130,986,955	36,676,347	616,015	4,680,144	1,544,447	—	—	—	—	—	—
\$75,000 under \$100,000	3,024,109	93,572,571	26,200,320	658,360	9,118,340	3,009,052	—	—	—	*2,258	*179,231	*49,235
\$100,000 under \$200,000	1,968,566	81,526,620	22,827,453	1,734,887	56,327,497	18,588,074	111,028	15,470,698	4,331,795	*72	*13,453	*3,426
\$200,000 under \$500,000	163,889	7,085,047	1,983,813	160,099	14,707,565	4,853,496	446,371	122,078,301	34,181,924	—	—	—
\$500,000 under \$1,000,000	636	23,329	6,532	**644	**42,121	**13,900	114,701	67,473,877	18,892,686	**25	**18,424	*4,855
\$1,000,000 or more	107	4,322	1,210	—	—	—	57,355	131,753,543	36,890,992	—	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based

** Data combined to avoid disclosure of information for specific taxpayers

¹ For 1989, the tax rate schedules contained only two basic rates: 15 percent and 28 percent. However, taxable income over certain levels was subject to an additional 5 percent tax, creating a temporary 33 percent marginal rate. The purpose behind this was to phase out the benefit of the 15 percent rate and the benefit of the deduction for personal exemptions for taxpayers and dependents. After these benefits were phased out, the marginal tax rate reverted to 28 percent; the average tax rate was also 28 percent.

NOTE: Detail may not add to totals because of rounding.

Section 4

Explanation of Terms

The Explanation of Terms is designed to clarify the statistical content of this report and should not be construed as an interpretation of the Internal Revenue Code, related regulations, procedures, or policies.

The definitions and explanations in this section relate to column or stub titles used in one or more tables in this report. They provide background or limitations to such titles and are necessary to interpret the statistical tables to which they relate. For each of these titles, the line number of the tax form on which it is reported appears after the title. **Definitions marked with the symbol ▲ have been revised for 1989 to reflect changes in the law.**

Further information about many of the items in this report can be found in Section 5, *1989 Forms and Instructions*.

Adjusted Gross Income Less Deficit ▲ (line 31, Form 1040)

Income that had to be reported for the calculation of total income (line 23, Form 1040) and of adjusted gross income included the following:

- Compensation for services, including wages, salaries, fees, commissions, tips, fringe benefits, and similar items;
- Net income derived from a business, profession, or farm;
- Net gains from the sale of property;

- Taxable interest received;
- Rents and royalties;
- Dividends and capital gains distributions;
- Alimony and separate maintenance payments;
- Taxable amounts of annuities, pensions, and individual retirement arrangement (IRA) distributions;
- Distributive share of partnership income;
- Income from an estate or trust;
- Bartering income;
- Amounts received that were claimed as a deduction or credit in a prior year;
- Gambling winnings;
- Prizes and awards;
- Taxable amounts of social security payments;
- All unemployment compensation; and
- Recoveries (including state income tax refunds)

Some reported income was fully or partially excluded from total income for 1989. The following is a list of such items:

- Exclusion of the cost basis of pension, annuity, or IRA payments or distributions;
- Tax-exempt interest;
- Limited exclusion of social security benefits and railroad retirement benefits;
- Limited exclusion of qualified foreign earned income; and
- One-time exclusion of part or all of the gain from sale of principal residence by individuals who are 55 years of age or older.

From total income, the following Statutory Adjustments (lines 24 through 29 on Form 1040) were subtracted to arrive at adjusted gross income (line 31); a deficit occurred if the allowable exclusions and deductions exceeded gross income, i.e., the amount on line 30 was greater than the amount on line 23:

- Reimbursed employee business expenses that were included in reported income;
- Contributions to self-employed retirement plans (Keogh or simplified employee pension (SEP)) and to individual retirement arrangements (IRAs) by eligible persons;
- Forfeited interest penalties incurred by persons who made premature withdrawals of funds from time savings accounts;
- Alimony payments;
- Self-employed health insurance deduction;
- Forestation or reforestation expenses;
- Foreign housing exclusion;
- Repayments of supplemental unemployment compensation; and
- Certain expenses of qualified performing artists.

Adjustments

See "Statutory Adjustments."

Advance Earned Income Credit Payments (included in the total on line 53, Form 1040)

Taxpayers who believed they would be eligible for the earned income credit at the end of the year could receive the credit from their employers as an additional payment in their paychecks during the year. Those payments were then shown on the tax return (line 53 total on Form 1040) where they either increased the balance due amount or reduced the amount of the overpayment. (See also "All Other Taxes.")

Alimony (lines 11, 29, Form 1040)

Payments received as alimony or separate maintenance were income to the person receiving them and a deduction (an adjustment to total income) for the person paying them.

All Other Taxes (lines 48,50,51,52, Form 1040)

For the statistics in this report, this amount represents the sum of the self-employment tax, tax from the recapture of the investment credit and the low income housing credit, social security taxes on tip income, penalty tax on qualified retirement plans, and other unspecified taxes which included uncollected tax on tips, excess "golden parachute" payments, and section 72 penalty taxes. This differs slightly from the "other taxes" portion of the Form 1040 itself, which includes the taxes listed above plus the alternative minimum tax and the advance earned income credit payments received. Alternative minimum tax is tabulated in this report as part of "total income tax" and is one of the criteria for determining the taxable or nontaxable classification of a return. Advance earned income credit payments are shown as a separate item in computing total tax liability, balance due, or refund. (See also "Taxable and Nontaxable Returns" and "Total Income Tax".)

All Other Tax Payments (lines 57-60, Form 1040)

All other tax payments included the tax paid with requests for a filing extension, excess social security or railroad retirement taxes, credit for tax on gasoline and special fuels, and the credit for tax paid on undistributed capital gains by a regulated investment company.

Alternative Minimum Tax
(line 49, Form 1040)

The alternative minimum tax (AMT) was levied on benefits received in the form of deductions and exclusions which reduced an individual's regular effective tax rate. These benefits, known as "alternative minimum tax preferences and adjustments," resulted from the preferential treatment that the tax law gave to particular income and expense items.

Alternative minimum taxable income (line 8, Form 6251) was defined as taxable income with certain adjustments plus the amount of tax preference items. Alternative minimum taxable income (AMTI) was then reduced by an exemption amount determined by filing status and income. If the return was filed jointly by a married couple or a surviving spouse, the maximum amount of the exemption was \$40,000. The maximum amount for a single or head of household taxpayer was \$30,000, and for a married couple filing separately, \$20,000. The AMT exclusion was phased out if AMTI exceeded certain levels. For single returns, the phase-out began at \$112,500 and ended at \$232,500. For joint returns the range was \$150,000 to \$310,000, and for married couples filing separately, the range was \$75,000 to \$155,000.

If there was an amount remaining after subtracting the exemption, it was multiplied by the alternative minimum tax rate of 21 percent and then reduced by the recalculated alternative minimum tax foreign tax credit. This amount was then reduced by the regular income tax before credits (line 38, Form 1040 minus the regular foreign tax credit, line 43, Form 1040) to arrive at the alternative minimum tax.

Business or Profession Net Income or Loss
(line 12, Form 1040)

This source of income was reported by individuals who were sole proprietors of a non-farm business, including self-employed members of a profession.

If two or more sole proprietorships were operated by the same taxpayer, the single amount of net income or loss included in adjusted gross income represented the combined net income and loss from all sole proprietorships. The proprietor was required to exclude investment income from business profits and include it, instead, with the various types of investment income for which separate provisions were made on the individual income tax return.

Business costs and expenses were deductible from gross receipts or gross sales in arriving at net profit or loss. Compensation of the proprietor was taxable income and, therefore, not allowed as a business deduction in computing net income. The deduction of net operating losses from previous years was not considered a business expense, but was offset against "other income" on the proprietor's income tax return.

Information on sole proprietorships, business receipts, and expenditures can be found in the annual summer issue of the *Statistics of Income Bulletin*.

Capital Assets

See "Sales of Capital Assets Net Gain or Loss."

Capital Gain Distributions Reported on Form 1040 (line 14, Form 1040)

These distributions included long-term capital gains either credited or distributed to individual taxpayers by regulated investment companies, mutual funds, and real estate investment trusts. Usually, taxpayers reported capital gains distributions on Schedule D (Capital Gains and Losses), but they could enter the distributions directly on line 14 of Form 1040 if they had no other gains or losses to report on Schedule D.

Capital Gains and Losses

See "Sales of Capital Assets Net Gain or Loss."

Casualty and Theft Loss, Nonbusiness
(line 18, Schedule A)

Nonbusiness casualty and theft losses were deductible, as an itemized deduction, from adjusted gross income to the extent that nonreimbursable net loss for each such casualty or theft exceeded \$100, and the combined amount for all net losses during the year exceeded 10 percent of adjusted gross income. Beginning with 1987, a deduction for a casualty or theft loss covered by insurance could be taken only if an insurance claim for reimbursement was filed promptly.

Child Care Credit ▲
(line 41, Form 1040)

This credit could be claimed by taxpayers who, while employed, incurred expenses for the care of dependent children under age 13 for 1989 (under age 15 for 1988), or disabled dependents of any age. Qualifying expenses included those for services performed within the home by non-dependent baby-sitters, maids, or cooks. Expenditures paid for the care of children under the age of 13 or any other qualified individuals for out-of-home non-institutional care qualified for the child care credit.

The maximum amount of employment-related expenses to which the credit could be applied was the lesser of earned income or \$2,400 if one qualifying child or dependent was involved, and the lesser of earned income or \$4,800 if more than one dependent was involved. For returns of married couples filing jointly, earned income refers to the earnings of the spouse with the lesser earned income. Exceptions were allowed if the spouse was disabled or a full-time student.

The credit was equal to 30 percent of expenses related to employment for taxpayers with adjusted gross income of \$10,000 or less. The credit was reduced by one percentage point for each \$2,000 increment of adjusted gross income in excess of \$10,000 up to \$28,000. The credit remained at 20 percent of expenses for individuals with adjusted gross income of \$28,000 or more.

The amount of the credit which could be claimed was limited to income tax before credits, and any excess was not refundable.

Contributions Deduction
(line 17, Schedule A)

Taxpayers could deduct contributions to organizations that were religious, charitable, educational, scientific, or literary in purpose. Contributions could be in cash, property, or out-of-pocket expenses that a taxpayer paid to do volunteer work for a qualified organization. Contributions were allowed as an itemized deduction on Schedule A.

Credit for Federal Tax on Gasoline and Special Fuels
(line 61, Form 1040)

This credit (claimed on Form 4136) was allowed for Federal excise taxes paid on gasoline and special fuels, such as gasohol and diesel fuel, if they were used for certain nontaxable or reduced-tax-rate purposes (such as farm or off-road use). The credit could reduce unpaid total tax liability or could be refunded. A one-time credit (or refund) was allowed to the original purchaser of a new, qualified diesel-powered highway vehicle after January 1, 1985.

Credit for the Elderly and Disabled
(line 42, Form 1040)

A credit (claimed on Schedule R) for the elderly and permanently and totally disabled was available to taxpayers age 65 or older (within certain income limitations), and to those taxpayers under age 65, who had retired with a permanent and total disability, and who had received taxable income from a public or private employer because of that disability. An individual was considered permanently and totally disabled when he or she could not engage in any substantial gainful activity because of a physical or mental condition which had lasted, or was expected to last, at least 12 months, or was determined to be terminal.

The maximum credit available was \$1,125 and was limited to total income tax with any excess not refundable, and was reduced if the taxpayer's income exceeded certain levels. Generally, if a taxpayer's income was high enough to require the reporting of social security benefits as taxable income, the taxpayer could not take the credit.

Credit from Regulated Investment Companies (line 62, Form 1040)

Taxpayers were required to include in total payments any amounts which were allocated to them as undistributed capital gains of regulated investment companies. If investment companies paid tax on the capital gain, taxpayers were entitled to claim a refundable credit for their proportionate share of the tax paid.

Credit to 1990 Estimated Tax (line 66, Form 1040)

This credit was the part of the overpayment of 1989 tax which taxpayers specifically requested to be credited to their estimated tax for 1990. (See also "Overpayment" and "Estimated Tax Payments.")

Dividends (line 9, Form 1040)

Dividend income consisted of distributions of money, stock, or other property received by taxpayers from domestic and foreign corporations, either directly or passed through estates, trusts, or partnerships. Dividends also included distributions from money market mutual funds.

Dividends did not include nontaxable distributions of stock or stock rights, returns of capital, capital gains, or liquidation distributions. Taxpayers were also instructed to exclude so-called dividends on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings

and loan associations, and credit unions, which were to be treated as interest income.

Earned Income Credit ▲ (line 58, Form 1040)

The maximum credit for 1989 was \$910, and the amount not used to offset income tax liability could be refunded. The credit was available to workers who had a child living with them for more than half the year and whose earned income and adjusted gross income were each less than \$19,340. The credit was based on earned income, consisting of wages, salaries, and other employee compensation, plus net earnings from self-employment. Taxpayers could not take the credit if their filing status was single or married filing separately, or they claimed the foreign income exclusion.

For this report, the earned income credit was divided into three parts: the amount used to offset income tax before credits (limited to the amount needed to reduce income tax after credits to zero); the amount used to offset all other taxes (limited to the amount needed to reduce total tax liability to zero); and the refundable portion. (See also "Advance Earned Income Credit Payments.")

Employee Business Expenses ▲ (line 20, Schedule A)

For 1989, an accounting change was made for employee business expenses. Since most taxpayers could only claim employee business expenses as an itemized deduction on Schedule A, the adjustment line on Form 1040 was dropped. The Schedule A amount was limited, along with other miscellaneous itemized deductions on Schedule A, to the amount that exceeded 2 percent of adjusted gross income. Employee business expenses included the cost of transportation, meals, lodging, and entertainment while away from home in the performance of services as an employee. Only 80 percent of business-related meal and entertainment expenses were eligible for deduction.

If employees accounted for deductible expenses to their employers, they were not required to report the reimbursement in income unless the amount of reimbursement exceeded expenses.

Estate or Trust Net Income or Loss

(line 37, Schedule E, Part III)

This was the beneficiary's share of fiduciary income (with the exception of the items described below, which were reported separately) from any estate or trust. Income from estates or trusts included amounts required to be distributed, amounts credited to beneficiaries' accounts from current-year fiduciary income (whether or not actually received), and any other amounts which were properly paid, credited, or required to be distributed for that year.

Taxpayers excluded from estate or trust income their share of dividends and gains or losses from sales of capital assets and other property. Such income (which made up the largest portion of income from estates or trusts) was included on the tax return on the separate lines provided for these income types and was not separately identified for the statistics. A loss from an estate or trust was allocated to the beneficiary only upon settlement or termination of an estate or trust and was limited by the "passive loss" rules.

For the tables, if a return showed net income from one estate or trust, and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labeled "net income" and "net loss" represent the sum of all income and losses reported from all estates or trusts, i.e., the net amount computed on a return-by-return basis.

Estimated Tax Payments

(line 57, Form 1040)

This figure represented the total of the tax payments made for 1989 using Form 1040ES and any overpayment from the taxpayer's 1988 return that was applied to 1989 estimated tax. Generally, individuals were required to make estimated tax

payments if they expected to owe, after subtracting withholding and credits, at least \$500 in tax for 1989, and they expected withholding and credits to be less than the smaller of: (a) 90% of the tax shown on Form 1040 for 1989, or (b) 100% of the tax shown on Form 1040 for 1988.

Excess Social Security Taxes Withheld ▲

(line 60, Form 1040)

If a taxpayer earned more than \$48,000 (\$45,000 for 1988) in total wages from two or more employers in 1989, too much social security (FICA) or Railroad Retirement Act (RRTA) tax may have been withheld from his or her wages. Filers claim credit for such overpayment on their tax returns. The excess social security tax withheld could be taken as a credit toward payment of the taxpayer's income tax. In the case of a joint return, the credit was computed separately for each taxpayer.

Exemptions ▲

(lines 6, 36, Form 1040)

In the computation of taxable income, a \$2,000 (\$1,950 for 1988) deduction was allowed for each exemption claimed. In general, an exemption was allowed for each taxpayer and dependent shown on a return. If an individual who could be claimed as a dependent by another taxpayer filed a return, that individual could not claim his or her own exemption.

In general an individual had to meet five requirements to qualify as a dependent for 1989:

- 1) The individual received more than half of his or her support for 1989 from the taxpayer;
- 2) The individual was related to the taxpayer (such as a son, daughter, or parent) or was a member of the same household for the entire year;
- 3) The individual did not file a joint return with his or her spouse;

4) The individual met certain citizenship requirements;

5) The individual's gross income was less than \$2,000. An exception to the income limitation was granted to children under age 19, or full-time students under age 24.

Farm Net Income or Loss (line 19, Form 1040)

This source of income was reported by individuals who were sole proprietors of a farm. When there were two or more farms operated by the same taxpayer, the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from all farming activities. Farm business costs and expenses were deductible from farm gross receipts in arriving at farm net profit or loss.

Gains from certain sales of livestock and crops that qualified for capital gains treatment were excluded from farm net profit or loss and included in capital gains. Farm rental income was included in rent net income or loss (See also "Farm Rental Income or Loss".)

Farm Rental Income or Loss (line 28, Schedule E)

Taxpayers were required to report farm rental income and expenses separately from other farm profit or loss if they:

- received income that was based on crops or livestock produced by the tenant, and
- did not manage or operate the farm to any great extent.

Filing Status

See "Marital Filing Status."

Foreign Earned Income Exclusion (line 22, Form 1040)

Qualified taxpayers could exclude from total income a certain amount of their foreign earned income and employer-provided foreign housing expenses if their home, for tax purposes, was in a foreign country.

Qualified individuals were limited to the lesser of a \$70,000 exclusion or their total foreign earned income. Also, they could elect to exclude a portion of employer-provided foreign housing expenses. If the taxpayer elected to take both the foreign earned income and foreign housing exclusions, the total amount of both exclusions was limited to the taxpayer's total foreign earned income.

In this report, the foreign earned income exclusion includes the foreign housing exclusion.

Foreign Tax Credit (line 43, Form 1040)

Individuals who paid income or excess profit taxes to a foreign country or U.S. possession could claim either this credit against Federal income tax liability, or an itemized deduction for the amount of the foreign tax payment. Depending on the taxpayer's income and taxes, the foreign tax credit could be less than the amount of foreign tax paid. Qualifying foreign taxes paid in excess of the allowable amount for Tax Year 1989 could be carried back 2 years and then forward 5 years.

Forfeited Interest Penalty Adjustment (line 28, Form 1040)

Taxpayers who paid penalties for the premature withdrawal of funds from time savings accounts or deposits could deduct those penalties as an adjustment to total income.

General Business Credit (line 44, Form 1040)

The general business credit consisted of the investment credit, the jobs credit, the alcohol fuel

credit, the low-income housing credit, and the research credit. Taxpayers claiming more than one of the business credits were required to summarize them on Form 3800, General Business Credit. The general business credit was limited to 100 percent of the first \$25,000 (\$12,500 for a married couple filing separately) of tax liability and 75 percent of the excess over \$25,000. If the current year general business credit exceeded the tax liability limitation, the excess amount could be carried back to the 3 preceding tax years, then forward 15 years.

Home Mortgage Interest Deduction

See "Interest Paid Deduction."

Income Subject to Tax

See "Modified Taxable Income."

Income Tax After Credits

(line 47 less line 58 (earned income credit), Form 1040)

To arrive at income tax after credits, taxpayers deducted total credits (line 46, Form 1040) from income tax before credits (line 40, Form 1040). For the statistics, tax was further reduced by the portion of the earned income credit which did not result in a negative tax. This portion of the earned income credit was included in the total credits as "earned income credit used to offset income tax before credits." Any tax remaining was tabulated as "income tax after credits."

Income Tax Before Credits

(line 40, Form 1040)

This amount consisted of the tax liability on taxable income, computed by using the tax tables, tax rate schedules, Form 8615, or Form(s) 8814, plus any additional taxes (line 39). (See also "Tax Generated.")

Income Tax Withheld

(line 56, Form 1040)

Income tax withheld included amounts deducted from salaries, wages, and tips, as reported on Form W-2, and from pensions, annuities, and certain gambling winnings as reported on Forms W-2P and W-2G. Amounts withheld from total distributions of profit-sharing, retirement plans, and individual retirement arrangements were reported on Form 1099-R.

In some cases, a backup withholding rate of 20 percent was required for interest, dividend, and royalty payments, which, generally, were not subject to withholding.

Individual Retirement Arrangement Deductible Payments

(lines 24 and 25, Form 1040)

An individual retirement arrangement (IRA) is a savings program that allows a taxpayer to set aside money for retirement. Beginning in 1987, the deduction for IRA contributions was reduced or eliminated for taxpayers who were covered by an employer retirement plan and whose adjusted gross income exceeded certain levels. (Nondeductible contributions were still allowed for such taxpayers.) Deductible contributions could be deducted from the employee's total income in arriving at adjusted gross income.

Contributions to an IRA (whether or not they were deductible) were limited to the lesser of:

- (1) an individual's taxable compensation for the year; or
- (2) \$2,000 (\$2,250 if a nonworking spousal IRA was included).

Unless they were disabled, taxpayers could not start withdrawing funds from the account until they reached age 59-1/2. After age 70-1/2 taxpayers were required to begin withdrawals. Penalty taxes were assessed if the taxpayer failed to comply with these limitations.

Individuals could also set up an IRA to include a nonworking spouse who met certain qualifying conditions. The total IRA deduction, including both the taxpayer and nonworking spouse, could not exceed \$2,250. A spousal IRA deduction is tabulated in the statistics as "secondary IRA payments."

To be deductible, payments to an IRA for a particular taxable year must be made not later than the due date of the individual's return for that year.

Individual Retirement Arrangement Taxable Distributions (line 16b, Form 1040)

Any money or property received from a taxpayer's IRA account was considered a distribution and, generally, had to be included in the taxpayer's total income in the year received. An exception to this rule was tax-free rollover distributions from one retirement account to another, or to the extent to which the payout represented previous non-deductible IRA contributions.

Interest Paid Deduction ▲ (line 13, Schedule A)

Interest expenses, except for business or investment, were divided into two categories: personal interest and deductible home mortgage interest. Personal interest included items such as credit card interest, revolving charge account interest, and interest on bank loans. Only 20 percent of personal interest was deductible for 1989, whereas 40 percent was deductible for 1988.

The rules for deducting home mortgage interest for 1989 were: (1) if a taxpayer took out a mortgage *before* October 14, 1987, secured by the taxpayer's main or second home, all the interest was deductible, (2) if the taxpayer's mortgage was *after* October 13, 1987, and the funds were used to buy, build, or improve that home, all interest could be deducted if the total of all mortgages on the property was \$1 million or less, and (3) taxpayers could deduct all of the interest on an additional \$100,000 of mortgages on their main or second home other than to buy, build, or improve that home.

Generally, investment interest (interest paid on money borrowed that is allocable to property held for investment) was fully deductible up to the amount of net investment income. Interest relating to business, royalty, and rental income was deducted directly from these items and was not reflected in the interest paid statistics.

Interest Received

See "Taxable Interest Received."

Interest, Tax-Exempt

See "Tax-Exempt Interest."

Itemized Deductions

See "Total Itemized Deductions" and specific types.

Marginal Tax Rates

Different portions of taxable income are taxed at different rates. The tax rate applied to the last dollar of income is called the "marginal tax rate" for that return (See also "Tax Generated".)

Marital Filing Status (lines 1-5, Form 1040)

The five marital filing status classifications were:

- (1) returns of single persons (not heads of households or surviving spouses);
- (2) joint returns of husbands and wives;
- (3) separate returns of husbands and wives;
- (4) returns of heads of households; and
- (5) returns of surviving spouses.

Marital status was usually determined as of the last day of the taxable year. If one spouse died during the tax year, the other was considered married for the entire year. If a taxpayer was divorced during the tax year and did not remarry, the taxpayer was considered to be unmarried for the entire year.

Medical and Dental Expense Deduction (lines 1-4, Schedule A)

Qualified medical expenses included payments made for the diagnosis, treatment, or prevention of disease or for medical or dental insurance. However, taxpayers who took the self-employed health insurance adjustment had to reduce their total premiums by the amount of the adjustment (see "Self-Employed Health Insurance"). In general, medical and dental expenses could be claimed as an itemized deduction to the extent that they exceeded 7.5 percent of adjusted gross income. Amounts paid for medicine and drugs were deductible only if they were not available except by prescription or were for insulin. Taxpayers could also deduct a maximum of \$50 per day for certain lodging expenses incurred while travelling to obtain medical care.

Minimum Tax Credit (line 45, Form 1040)

A minimum tax credit could be taken for 1989 by certain taxpayers who paid alternative minimum tax for 1988. The credit was that part of the 1988 alternative minimum tax based on adjustments or preference items that deferred tax rather than caused permanent avoidance of tax. If all of the minimum tax credit could not be used for 1989, the excess could be carried forward to later years.

Miscellaneous Itemized Deductions ▲ (lines 20-25, Schedule A)

For 1989, the base rate for the first telephone line into a taxpayer's residence became a non-deductible expense, even if it was used for business- or investment-related purposes. Other

miscellaneous itemized deductions were divided into two tiers. The first tier included those items that were limited to the amount that exceeded 2 percent of adjusted gross income, while the expenses included in the second tier were fully deductible.

Limited Miscellaneous Deductions:

Unreimbursed employee business expenses, tax preparation fees, and those expenses of producing income (including qualifying educational expenses), were limited to the amount that exceeded 2 percent of adjusted gross income.

Other Miscellaneous Deductions:

Other, fully deductible expenses included such items as gambling losses (limited to gains), impairment-related work expenses for handicapped people, and amortizable bond premiums.

Modified Taxable Income ▲

"Modified taxable income" is the term used to describe "income subject to tax," the actual base on which tax is computed for the statistics in Tables 3.4 and 3.5. For taxpayers filing current year returns, modified taxable income is identical to "taxable income" except for those upper income taxpayers paying both average and marginal tax rates of 28 percent. For these taxpayers the deduction for personal exemptions was phased out and their "income subject to tax" became taxable income plus some or all of the exemption amount.

For prior year returns included in the 1988 statistics, a modified taxable income was computed. This was calculated by using the tax rate schedule to impute a hypothetical taxable income amount necessary to yield the given amount of tax reported.

Moving Expense Deduction (line 19, Schedule A)

An employee who had to move to a new residence as a result of changing jobs could claim certain expenses for moving and house hunting as an itemized deduction. For employees to qualify for this deduction, the new job location had to be

at least 35 miles farther from the former residence than the old job was. Deductible expenses included those incurred while moving household and personal goods, as well as in travel, meals, and lodging of the taxpayer and household members en route to the new residence. (Additional deductible expenses included pre-move house search trips, and the cost of selling a residence or breaking a lease.)

Nondeductible Passive Losses ▲

(calculated on Form 8582)

See "Changes in Law section," Section 1.

Nontaxable Returns

See "Taxable and Nontaxable Returns."

Other Adjustments ▲

(included in line 30, Form 1040)

See "Statutory Adjustments."

Other Income ▲

(line 22, Form 1040)

For 1989, jury duty pay had to be included in other income. If individuals were required to give the jury duty pay to their employer because they continued to receive their wages while on jury duty, they could deduct the amount turned over to the employer as an adjustment to income. Also included in other income were items such as prizes, awards, sweepstakes winnings, gambling winnings, recoveries of bad debts, insurance received as reimbursement for medical expenses taken as a deduction in a previous year, and any other income subject to tax for which no specific line was provided on the return form. Any "net operating loss" in an earlier year that was carried forward and deducted for 1989 was entered as a negative amount on this line by the taxpayer but edited into a separate field during service center processing.

Other Tax Credits

(included in line 46, Form 1040)

"Other tax credits" is a residual category in the statistics and does not relate to a line item on a tax form. It included the "credit for fuel from a nonconventional source" and other miscellaneous credits that did not belong in any other category and were used to offset income tax before credits.

Overpayment

(line 64, Form 1040)

An overpayment of tax occurred when the "total payments" exceeded "total tax". Total payments included the amount of any "refundable portion of the earned income credit." Overpayment could be refunded or credited toward the estimated tax for the following year. (See also "Credit to 1990 Estimated Tax" and "Refund.")

Overpayment of Windfall Profit Tax

(included in line 63)

A "windfall profit" excise tax was imposed on producers of crude oil, but the tax was withheld and reported by the first purchaser of such oil. If too much tax was withheld in the course of the year, the producer could claim a refund on his or her income tax return. The excess payment was entered in the margin of the tax payments section of the Form 1040.

Parent's Election to Report Child's Interest and Dividends

Beginning with 1989, a parent could report on his or her return, income received by his or her child. If the election was made, the child was not required to file a return. A parent could make this election only if his or her child:

- Was under age 14 on January 1, 1990;
- Had income only from interest and dividends;
- Had gross income for 1989 that was more than \$500 but less than \$5,000;

- Did not have any overpayment of tax shown on his or her 1988 return applied to the 1989 return; **and**
- Had no Federal income tax withheld from his or her income (backup withholding).

If the parents were not filing a joint return, special rules applied to determine which parent could make the election.

Partnership and S Corporation Net Income or Loss

(lines 31, 32, Schedule E)

Since partnerships and S corporations (formerly Subchapter S corporations) are not taxable entities, tax on their net profit or loss was levied, in general, directly on the members of the partnership or shareholders of the S corporation. The profit or loss shown in the statistics was the taxpayer's share of the ordinary gain or loss of the enterprise and certain payments made to the taxpayer for the use of capital or as a salary. Net long-term capital gain retained its character in the hands of the partners or stockholders and was included in the statistics for net gain or loss from sales of capital assets.

If a return showed net income from one partnership or S corporation and a net loss from another, the two were added together and the return was tabulated by the net amount of income or loss in the appropriate column. Beginning in 1987, net income and net loss were reported separately for passive and non-passive partnership and S corporation activities. Passive losses were limited under new rules to the amount that could offset passive income.

Payment with Request for Extension of Filing Time

(line 59, Form 1040)

This payment was made when the taxpayer filed Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return or Form 2688, Application for Additional Extension of Time to File. The extension granted the taxpayer an additional period of time to file a

tax return, but it did not extend the time for payment of expected tax. Full payment of any tax due had to be made with the application for extension.

Payments to a Keogh Plan

(line 27, Form 1040)

Self-employed individuals were allowed to contribute to a Keogh retirement plan or a "simplified employment pension" (SEP) plan for themselves and to deduct all or a part of such contributions in computing adjusted gross income. The amount which could be deducted was based on net earnings from self-employment.

Penalty Tax on Qualified Retirement Plans

(line 52, Form 1040)

If taxpayers withdrew any funds from an Individual Retirement Arrangement or qualified retirement plan before they were either age 59-1/2 or disabled, they were subject to a penalty tax equal to 10 percent of the premature distribution. Any taxpayer who failed to withdraw the minimum required distribution after reaching age 70-1/2 had to pay a 50 percent excise tax on the excess accumulation. Contributions to the retirement arrangement in excess of the legal limitation for the year (the lesser of \$2,000 or the taxpayer's compensation for the year) were subject to an excise tax equal to 6 percent of the excess contribution.

Pensions and Annuities

(lines 17a, 17b, Form 1040)

Generally, pensions are periodic income received after retirement for past services with an employer, while annuities are income payable at stated intervals after payment of a specific premium. A taxpayer could acquire a pension or annuity either by purchase from a commercial organization (usually life insurance, endowment, or annuity contracts) or under a plan or contract connected with the taxpayer's employment. Those pensions or annuities obtained in connection with employ-

ment could be purchased entirely by the taxpayer or could be financed in part (a contributory plan) or in whole (a non-contributory plan) by contributions of the employer.

Since a non-contributory pension was paid for entirely by an employer, the amount received by the employee was fully taxable. This fully taxable pension was reported on lines 17a and b. For the taxpayer who participated in a contributory retirement plan while employed, the amount received was only partially taxable. In general, the amount excludable from gross income, the nontaxable portion, represented the taxpayer's contributions under the plan, while the taxable portion represented the employer's contribution and earnings on the entire investment. The nontaxable portion had to be amortized over the expected lifetime of the taxpayer.

The entire amount of pensions and annuities received for the year was reported on line 17a of the Form 1040. The taxable portion was computed on a separate worksheet and entered on line 17b, "Taxable amount."

Predetermined Estimated Tax Penalty (included in line 67, Form 1040)

If a return showed taxes of \$500 or more owed on line 67 (tax due at time of filing) *and* this amount was more than 10 percent of the total tax, taxpayers could owe a penalty, unless tax payments in the current year equalled or exceeded prior year tax liability (provided prior year liability was greater than zero). Also, taxpayers could owe a penalty if they underpaid their 1989 estimated tax liability for any payment period. Form 2210 was used to determine the amount of a penalty, if any.

For this report, the predetermined estimated tax penalty includes only the amount calculated by the taxpayer when the return was initially filed.

Refund (line 65, Form 1040)

A refund of tax included all overpayment of income taxes not applied by the taxpayer as a

credit to the next year's estimated tax. (See also "Overpayment.")

Regular Tax Computation

Typically, the taxpayer, in determining the amount of "tax generated," first computed taxable income. Depending on marital status and size of taxable income, the taxpayer then used the tax tables or applied the rates from one of four tax rate schedules to determine tax. Returns of taxpayers who had taxes computed by the Internal Revenue Service were classified under the regular tax computation method.

Rent and Royalty Net Income or Loss ▲ (line 27, Schedule E)

This amount is the combination of rent net income, rent net loss, royalty net income, and royalty net loss.

Rent Net Income or Loss ▲ (line 23, columns A,B,C, Schedule E)

Rent net income or loss was determined by deducting from gross rent, the amounts for depreciation, repairs, improvements, interest, taxes, commissions, advertising, utilities, insurance, janitorial services, and any other allowable expenses related to the rented property. Beginning with 1987, new "passive loss" rules limited the losses that could be claimed for rental activities and for 1988 and 1989 losses were further limited. In the statistics, total rental net loss includes passive losses that were not deductible in figuring AGI. (Passive losses are discussed under Changes in Law, Section 1.)

Royalty Net Income or Loss (line 23, columns A,B,C, Schedule E)

Net royalties consisted of gross royalties less deductions for depletion, depreciation, office rent, legal fees, clerical help, interest, taxes, and similar items. Gross royalties included revenues from oil,

gas, and other mineral rights; revenue from patents; and revenue from literary, musical, or artistic works. Certain royalties received under a lease agreement on timber, coal, and domestic iron ore were eligible for capital gains or ordinary loss treatment under Code section 1231. As a result of the separate computation, those royalties are reflected in the statistics for "sales of capital assets" and "sales of property other than capital assets." (See also "Total Rent and Royalty Income or Loss in AGI.")

S Corporations

See "Partnership and S Corporation Net Income or Loss."

Salaries and Wages (line 7, Form 1040)

Salaries and wages as reported on the tax return were amounts of compensation primarily for personal services. The following items were included:

- salaries;
- wages;
- commissions;
- bonuses;
- tips;
- fees;
- excess reimbursement over employee business expenses;
- moving expense allowances;
- the difference between the fair market value of certain property and the discount price for which it was purchased by a taxpayer from his or her employer;
- severance pay;
- sick pay;
- the value of exercising a stock appreciation right;
- vacation allowances;
- most disability payments;
- strike and lockout benefits; and
- the value of certain non-monetary payments for services (e.g., merchandise, accommodations, certain meals or lodging, certain stock purchase plans, or property).

Identifiable amounts for any of these categories which may have been reported by taxpayers as "other income" were treated as salaries and wages for the statistics.

Sales of Capital Assets Net Gain or Loss ▲ (line 13, Form 1040)

In general, capital assets for tax purposes included all property held for personal use or investment. Examples of such assets were personal residences, furniture, automobiles, and stocks and bonds. Most assets used for business activities were specifically excluded from treatment as capital assets. (See also "Sales of Property Other Than Capital Assets, Net Gain or Loss".)

The following concepts were used in the computation of net capital gain or loss for this report:

Net capital gain: If the combination of net short-term gain or loss and net long-term gain or loss resulted in a positive amount, the taxpayer had a net capital gain. The full amount of this gain, whether short-term or long-term was included in adjusted gross income. The holding period was one year or less for short-term assets, and longer than one year for long-term assets.

Net capital loss: If the combination of net short-term gain or loss and net long-term gain or loss resulted in a negative amount, the taxpayer showed a net capital loss. The amount of net capital loss to be included in adjusted gross income was limited to the smaller of the actual net capital loss or \$3,000 (\$1,500 for married persons filing separately). Any excess capital losses over the \$3,000 limit could be carried over to subsequent tax years ("capital loss carryover" in the statistics).

Net capital gain or loss also included capital gain distributions which were not reported on Schedule D (Capital Gains and Losses and Reconciliation of Forms 1099-B). These capital gain distributions were entered directly on line 14 of Form 1040 if the taxpayer did not have any other gains or losses to report on Schedule D. These distributions were, by definition, long-term capital gains. (See also "Capital Gain Distributions Reported on Form 1040.")

**Sales of Property Other Than Capital Assets,
Net Gain or Loss (line 15, Form 1040)**

Property other than capital assets generally included property of a business nature, in contrast to personal and investment property which were capital assets. Some types of property specifically included in this group were:

- (1) certain depreciable, depletable, and real business property;
- (2) accounts and notes receivable in the ordinary course of business generated from the sale of goods and services ordinarily held for sale by the business or includable in the inventory of the business;
- (3) certain copyrights, literary, musical, or artistic compositions, or similar properties; and
- (4) amounts resulting from certain "involuntary conversions," including net losses from casualty and theft.

Taxpayers reported all gains and losses not receiving capital gains treatment on Form 4797, *Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions*.

**Self-Employed Health Insurance
(line 26, Form 1040)**

Self-employed individuals could deduct, as an adjustment, up to 25 percent of the amount paid for medical insurance for themselves and their families. If the taxpayer had other employees working for his or her business, they must have been offered nondiscriminatory health insurance coverage if the taxpayer was to qualify for the deduction.

The 25 percent adjustment could not exceed the net earnings from the business in which the insurance plan was established. The balance of the health insurance cost was included with other medical care expenses as an itemized deduction subject to the 7.5 percent deduction threshold based on AGI. However, self-employed persons

were not allowed this deduction if they or their spouses were employees and eligible to participate in an employer-subsidized health plan.

**Self-Employment Tax ▲
(line 48, Form 1040)**

This tax, levied under the social security system, was reported by most individuals who had self-employment earnings of at least \$400 derived from a sole proprietorship or from their share of partnership profits. Some types of income (such as dividends, interest, and capital gains and losses) and certain deductions (such as net operating losses, and casualty and theft losses) were not allowed in computing self-employment earnings.

The maximum net earnings subject to self-employment tax for 1989 increased to \$48,000 from \$45,000 for 1988. The net self-employment tax rate for 1989 remained at 13.02 percent.

**Size of Adjusted Gross Income
(line 31, Form 1040)**

The amount of adjusted gross income reported by the taxpayer on the return was the basis for classifying data by size of adjusted gross income. Returns without positive adjusted gross income, such as deficit returns or returns on which income and loss were equal, were classified as having "no adjusted gross income" and appear as a separate class in most basic tables. The absence of a class labeled "no adjusted gross income" indicates that any deficit or break-even returns in a table were included in the lowest income size class.

**Social Security Benefits
(lines 21a, 21b, Form 1040)**

Social security benefits include any monthly benefit under title II of the Social Security Act or the part of a "tier 1 railroad retirement benefit" that was equivalent to a social security benefit. Social security benefits are not taxable unless the taxpayer's total income (including tax-exempt interest) plus one-half of total social security benefits exceeds certain levels. The maximum taxable amount was one half of the net social

security benefits received. Social security benefits received were reported on Form 1040, line 21a with only the taxable portion reported on line 21b. Taxpayers who had no taxable benefits were not required to show the total benefit on their income tax returns.

Social Security Taxes on Tip Income (line 51, Form 1040)

This amount consisted of social security tax on unreported tip income and uncollected employee social security tax on tips.

Cash tips amounting to \$20 or more received by the taxpayer in a month while working for any one employer were subject to withholding of income tax and social security tax (or the equivalent railroad retirement tax). If the employer was unable to withhold the social security tax, the amount of uncollected social security tax on tips was indicated on the employee's Form W-2, and the taxpayer was required to report the uncollected tax and pay it with the Form 1040. If the employee did not report the tips to the employer, the employee was required to compute the social security tax on unreported tips on Form 4137 and attach it to Form 1040.

Standard Deduction ▲ (line 34, Form 1040)

For 1989, the *basic* standard deduction was increased. Taxpayers who were age 65 or over or blind could claim an *additional* standard deduction amount of \$600 or \$750. Both the basic and additional standard deduction were determined by filing status, as shown below.

Single

- Basic deduction of \$3,100;
- Each taxpayer 65 or over or blind was allowed an additional \$750 deduction each for age and blindness.

Married filing jointly or qualifying widow(er)

- Basic deduction of \$5,200;
- Each taxpayer 65 or over or blind was allowed an additional \$600 deduction each for age and blindness.

Married, filing separately

- Basic deduction of \$2,600;
- Each taxpayer 65 or over or blind was allowed an additional \$600 deduction each for age and blindness.

Head of Household

- Basic deduction of \$4,550;
- Each taxpayer 65 or over or blind was allowed an additional \$750 deduction each for age and blindness.

In the statistics, the basic standard deduction was tabulated for all taxpayers who claimed it, including those who were 65 or over or blind. The "additional standard deduction" total included only the additional amount that was taken by those taxpayers who were 65 or over or blind.

State Income Tax Refund (line 10, Form 1040)

This amount was the refund of State income tax that was claimed as an itemized deduction in a prior year, only to the extent that such deduction reduced taxes in the prior year.

Statutory Adjustments ▲ (lines 24-30, Form 1040)

These were the adjustments to total income which were allowed as deductions in arriving at adjusted gross income. For 1989, statutory adjustments included jury duty pay received by the taxpayer and given to the employer if the taxpayer continued to receive wages while on jury duty, payments to a self-employed Keogh retirement plan or a "simplified employee pension" (SEP), forfeited interest penalty, payments to an individual retirement arrangement (IRA), alimony paid, the self-employed health insurance deduction, and the foreign housing deduction. Each of the above items is described separately in this section. In addition, statutory adjustments included the forestation/reforestation amortization deduction and the repayment of supplemental unemployment benefits under the Trade Act of 1974. These amounts were included in the "Other Adjustments" category in the statistics.

Tax Due at Time of Filing
(line 67, Form 1040)

"Tax due" was reported on returns on which total tax liability exceeded total tax payments.

Tax From Recomputing Prior-Year Investment Credit (line 50, Form 1040)

The investment tax credit provisions of the law included a recapture rule which required taxpayers to pay back some or all of any investment credit previously taken on property disposed of before the end of the useful life claimed in computing the credit. The law specified that if property qualifying for the credit was disposed of before the end of its intended useful life, the tax for the year of disposal was increased by the difference between the credit originally claimed and the credit that would have been allowed based on the shorter actual life. Tax credits could not be applied against this additional tax.

Tax Generated ▲
(line 38, Form 1040)

This amount was the tax computed on modified taxable income. (See also "Modified Taxable Income.") For 1989, there were two basic tax rates, 15 and 28 percent. However, taxable income over certain levels (from \$44,900 to \$93,130 if single, \$37,425 to \$117,895 if married filing separately, \$64,200 to \$128,810 if head of household, and \$74,850 to \$155,320 if married filing jointly or a qualifying widow(er)) was subject to an additional 5 percent tax. This meant that a 33 percent marginal tax rate was applied to this part of taxable income with the purpose of phasing out the benefit of the 15 percent tax rate. At income levels immediately above those shown for each filing status, the personal exemption deduction for taxpayers and dependents was phased out, also at a 5 percent rate. Above those levels, the marginal tax rate dropped back to 28 percent. The tax generated at each of these tax rates is shown in Tables 3.4 and 3.5.

If children under age 14 had investment income that exceeded \$1,000, there were two methods of reporting this income. If the child filed his or her

own return, the investment income that exceeded \$1,000 was taxed at the parents' rate on Form 8615 and tabulated separately in Tables 3.4 and 3.5. If the parents elected to report the child's investment income on their return, they attached a Form 8814. The investment income in excess of \$1,000 was included on Form 1040, line 22. The remaining investment income was taxed at the child's rate (15 percent), added to the parents' tax on Form 1040, line 38, and was also tabulated separately in Tables 3.4 and 3.5.

On most returns, except those with additional taxes from special computations, "tax generated" equaled "income tax before credits."

Tax Payments
(lines 56, 57, 59-62, Form 1040)

These payments were generally made before the return was filed and were applied against tax liability to determine any amount payable or refundable at the time of filing. They consisted of the following:

- (1) income tax withheld, including backup withholding;
- (2) estimated tax payments;
- (3) payment with request for extension of filing time;
- (4) excess social security taxes or railroad retirement tax withheld;
- (5) credit for tax on certain gasoline, fuel, and oil;
- (6) credit from regulated investment companies; and
- (7) overpayment of windfall profit tax.

Each of the above is described under a separate heading in this section.

Although the earned income credit was included with tax payments on the tax return itself, for the statistics it is treated partly as a credit against income tax liability and partly as a refundable amount (See also "Earned Income Credit.")

Tax Rates

See "Tax Generated."

Tax-Exempt Interest (line 8b, Form 1040)

Beginning with 1987, the amount of any tax-exempt interest received or accrued during the tax year had to be shown on the tax return. Tax-exempt interest includes interest on certain State and municipal bonds, as well as any tax-exempt interest dividends from a mutual fund or other regulated investment company. This is an information reporting requirement and does not convert tax-exempt interest to taxable interest.

Taxable and Nontaxable Returns

The taxable and nontaxable classification of a return for this report was determined by the presence of "total income tax" (the sum of income tax after credits and the alternative minimum tax). Some returns classified as "nontaxable" may have had a liability for other taxes, such as self-employment or Railroad Retirement Tax Act (RRTA) taxes, social security taxes on tip income, tax from recomputing prior-year investment credit, penalty taxes on individual retirement arrangements, Section 72 penalty taxes, advance earned income credit payments, golden parachute payments, or uncollected employee social security tax on tips. These taxes, however, were disregarded for purposes of this classification since three of the above taxes were considered social security (rather than income) taxes, and the remaining ones, except for advance earned income payments, were either based on prior year's income or were penalty taxes.

For this report, the earned income credit was treated as an amount which, first, was used to offset income tax before credits. Since the earned income credit was refundable, it was subtracted from income tax (for the statistics) after reduction by all other statutory credits. As a result, some returns became nontaxable strictly because of the

earned income credit if there was no alternative minimum tax and the earned income credit equaled or exceeded income tax before credits reduced by any other credits.

It should be noted that classification as taxable or nontaxable was based on each return as it was originally filed and does not reflect any changes resulting from audit or other enforcement activities.

Taxable Income (line 37, Form 1040)

Taxable income was derived by subtracting from adjusted gross income any exemption amount *and* either total itemized deductions or the standard deduction. On most current year returns "taxable income" was identical to "modified taxable income", with the exception of returns for taxpayers with taxable income over certain levels, whose benefits of the 15 percent tax rate bracket and personal exemption amount were phased out. For prior year returns received during the current year filing period, taxable income was imputed from the amount of tax reported. (See also "Modified Taxable Income.")

Taxable Interest Received (line 8a, Form 1040)

This amount was the taxable portion of interest received from bonds, debentures, notes, mortgages, certain insurance policy proceeds, personal loans, bank deposits, savings accounts, tax refunds, and U.S. savings bonds. Also included as interest were "dividends" on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions. For 1989, these amounts could, in some circumstances, include a child's income which was to be taxed at the parent's rate. Most interest on State or local government obligations remained tax-exempt, but the total tax-exempt interest had to be reported on line 8b of Form 1040. It was not included in the taxpayer's income for income tax purposes (See also "Tax-Exempt Interest.")

Taxes Paid Deduction

(line 8, Schedule A)

Taxes allowed as an itemized deduction from adjusted gross income included personal property taxes, State and local income taxes, taxes paid to foreign countries or U.S. possessions (unless a foreign tax credit was claimed), and real estate taxes except those levied for improvements that tended to increase the value of the property. Mandatory employee contributions to a state disability fund and employee contributions to a state unemployment fund were also included. Federal taxes and State and local sales taxes were not deductible.

Taxes paid on business property were deducted separately on the schedules for business, rent, royalty, and farm income and are excluded from the "taxes paid" statistics in this report.

Total Income Tax

(line 47 — earned income credit amount + line 49 of Form 1040)

Total income tax was the sum of income tax after credits (from which the earned income credit was subtracted) and the alternative minimum tax. It did not include any of the other taxes which made up total tax liability. Total income tax was the basis for classifying returns as taxable or nontaxable.

Total Itemized Deductions

(line 34, Form 1040)

Itemized deductions from adjusted gross income could be claimed for medical and dental expenses, taxes paid, interest paid, contributions, casualty and theft losses, moving expenses, and miscellaneous deductions. The total amount of itemized deductions was tabulated only from returns showing positive adjusted gross income.

Total Rent and Royalty Income or Loss

This income concept consists of all rent and royalty income and loss which was used in computing adjusted gross income, farm rental income and suspended rental loss carryover from prior years. It excludes that portion of rental losses which was not deductible in computing adjusted gross income due to the passive loss rules which went into effect for Tax Year 1987. (Passive loss rules are discussed under Changes in Law.)

Total Tax Credits ▲

(lines 46, 58, Form 1040)

For this report, total tax credits consisted of the following:

- (1) child care credit;
- (2) credit for the elderly and disabled;
- (3) foreign tax credit;
- (4) general business credit;
- (5) minimum tax credit;
- (6) other tax credits;
- (7) mortgage interest credit and any credits on prior year returns; and
- (8) earned income credit (EIC) used to offset income tax before credits.

These amounts were deducted from income tax before credits to arrive at income tax after credits. For the statistics, the portion of the EIC which did not result in a negative amount was tabulated as "earned income credit used to offset income tax before credits." Any amount remaining of the EIC could be refunded or applied to other taxes, and

was classified separately as "earned income credit refundable portion," or "earned income credit used to offset other taxes." All other credits were limited to the amount needed to offset income tax before credits and were not refundable.

Total Tax Liability

(line 55 modified by the earned income credit, Form 1040)

Total tax liability was the sum of income tax after credits, the alternative minimum tax, self-employment tax, social security tax on tips, tax from recomputing prior-year investment credits, taxes from individual retirement arrangements, Section 72 penalty taxes, and tax on golden parachute payments. These taxes were then reduced by the earned income credit used to offset all other taxes (defined under "Earned Income Credit"). For the statistics, unlike the Form 1040, total tax liability did not include any advance earned income credit payments.

Type of Tax Computation ▲
(line 38, Form 1040)

Tabulations in Table 3.1 include two methods of computing the tax on income subject to tax. These methods were:

- (1) regular tax, as computed from the tax tables or tax rate schedules accompanying the Forms 1040, 1040A, or 1040EZ (see also "Regular Tax Computation"); and
- (2) Form 8615, used to compute the tax on investment income of children under 14.

Unemployment Compensation
(line 20, Form 1040)

Beginning in 1987, all unemployment compensation had to be included in income.

Unreimbursed Employee Business Expenses
(line 20, Schedule A)

See "Employee Business Expenses."

Section 5

1989 Forms and Instructions

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Form 1040 (1989)

1040 U.S. Individual Income Tax Return 1989

Department of the Treasury — Internal Revenue Service
For the year Jan. — Dec. 31, 1989, or other tax year beginning 1989 ending 1989

Label
Use IRS label. Otherwise, please print or type.

1 Your first name and initial
2 Last name
3 Last name
4 Last name
5 Last name
6 Last name
7 Last name
8 Last name
9 Last name
10 Last name
11 Last name
12 Last name
13 Last name
14 Last name
15 Last name
16 Last name
17 Last name
18 Last name
19 Last name
20 Last name
21 Last name
22 Last name
23 Last name
24 Last name
25 Last name
26 Last name
27 Last name
28 Last name
29 Last name
30 Last name
31 Last name

Presidential Election Campaign Do you want \$1 to go to this fund? If "Yes," you will not change your tax or reduce your refund.

1 Yes **2** No

Filing Status

1 Single **2** Married (joint return) (even if only one had income) **3** Married (separate return) (enter spouse's social security no. above and full name here) **4** Head of household (with qualifying person) (See page 7 of Instructions.) If the qualifying person is your child but not your dependent, enter child's name here. **5** Qualifying widow(er) with dependent child (your spouse died in 1989) (See page 7 of Instructions.)

6 **7** **8** **9** **10** **11** **12** **13** **14** **15** **16** **17** **18** **19** **20** **21** **22** **23** **24** **25** **26** **27** **28** **29** **30** **31**

Exemptions (See Instructions on page 8.)

1 Yourself **2** Spouse **3** Dependents: (1) Name (last, first, and middle initials) (2) Relationship (3) If age 2 or older, dependent's social security number (4) Relationship (5) If age 2 or older, dependent's social security number (6) If age 2 or older, dependent's name (7) If age 2 or older, dependent's address (8) If age 2 or older, dependent's city, town or post office, state and ZIP code (9) If age 2 or older, dependent's date of birth (10) If age 2 or older, dependent's sex (11) If age 2 or older, dependent's race (12) If age 2 or older, dependent's religion (13) If age 2 or older, dependent's occupation (14) If age 2 or older, dependent's education (15) If age 2 or older, dependent's marital status (16) If age 2 or older, dependent's number of children (17) If age 2 or older, dependent's number of grandchildren (18) If age 2 or older, dependent's number of great-grandchildren (19) If age 2 or older, dependent's number of great-great-grandchildren (20) If age 2 or older, dependent's number of great-great-great-grandchildren (21) If age 2 or older, dependent's number of great-great-great-great-grandchildren (22) If age 2 or older, dependent's number of great-great-great-great-great-grandchildren (23) If age 2 or older, dependent's number of great-great-great-great-great-great-grandchildren (24) If age 2 or older, dependent's number of great-great-great-great-great-great-great-grandchildren (25) If age 2 or older, dependent's number of great-great-great-great-great-great-great-great-grandchildren (26) If age 2 or older, dependent's number of great-great-great-great-great-great-great-great-great-grandchildren (27) If age 2 or older, dependent's number of great-great-great-great-great-great-great-great-great-great-grandchildren (28) If age 2 or older, dependent's number of great-great-great-great-great-great-great-great-great-great-great-grandchildren (29) If age 2 or older, dependent's number of great-great-great-great-great-great-great-great-great-great-great-great-grandchildren (30) If age 2 or older, dependent's number of great-great-great-great-great-great-great-great-great-great-great-great-great-grandchildren (31) If age 2 or older, dependent's number of great-great-great-great-great-great-great-great-great-great-great-great-great-great-grandchildren

Income

1 Wages, salaries, tips, etc. (attach Form(s) W-2) **2** Tax-exempt interest income (see page 10) DON'T include on line 8a **3** Dividend income (also attach Schedule B if over \$400) **4** Capital gain or (loss) (attach Schedule D) **5** Other gains or (losses) (attach Form 4797) **6** Total IRA distributions **7** Total pensions and annuities **8** Rents, royalties, partnerships, estates, trusts, etc. (attach Schedule E) **9** Farm income or (loss) (attach Schedule F) **10** Unemployment compensation (insurance) (see page 13) **11** Social security benefits **12** Other income (list type and amount—see page 13) **13** Add the amounts shown in the far right column for lines 7 through 22. This is your total income **14** Your IRA deduction, from applicable worksheet on page 14 or 15 **15** Spouse's IRA deduction, from applicable worksheet on page 14 or 15 **16** Self-employed health insurance deduction, from worksheet on page 15 **17** Keogh retirement plan and self-employed SEP deduction **18** Penalty on early withdrawal of savings **19** Alimony paid **20** Recipient's last name **21** Add lines 1 through 29. These are your total adjustments **22** Subtract line 30 from line 13. This is your adjusted gross income. If this line is less than \$10,000, enter "0" **23** Add lines 22 and 23. This is your taxable income. If this line is less than \$10,000, enter "0" **24** Add lines 23 and 24. This is your total income. If this line is less than \$10,000, enter "0" **25** Add lines 24 and 25. This is your total income. If this line is less than \$10,000, enter "0" **26** Add lines 25 and 26. This is your total income. If this line is less than \$10,000, enter "0" **27** Add lines 26 and 27. This is your total income. If this line is less than \$10,000, enter "0" **28** Add lines 27 and 28. This is your total income. If this line is less than \$10,000, enter "0" **29** Add lines 28 and 29. This is your total income. If this line is less than \$10,000, enter "0" **30** Add lines 29 and 30. This is your total income. If this line is less than \$10,000, enter "0" **31** Add lines 30 and 31. This is your total income. If this line is less than \$10,000, enter "0"

Adjustments to Income

1 Your IRA deduction, from applicable worksheet on page 14 or 15 **2** Spouse's IRA deduction, from applicable worksheet on page 14 or 15 **3** Self-employed health insurance deduction, from worksheet on page 15 **4** Keogh retirement plan and self-employed SEP deduction **5** Penalty on early withdrawal of savings **6** Alimony paid **7** Recipient's last name **8** Add lines 1 through 7. These are your total adjustments **9** Subtract line 8 from line 13. This is your adjusted gross income. If this line is less than \$10,000, enter "0" **10** Add lines 9 and 10. This is your total income. If this line is less than \$10,000, enter "0" **11** Add lines 10 and 11. This is your total income. If this line is less than \$10,000, enter "0" **12** Add lines 11 and 12. This is your total income. If this line is less than \$10,000, enter "0" **13** Add lines 12 and 13. This is your total income. If this line is less than \$10,000, enter "0" **14** Add lines 13 and 14. This is your total income. If this line is less than \$10,000, enter "0" **15** Add lines 14 and 15. This is your total income. If this line is less than \$10,000, enter "0" **16** Add lines 15 and 16. This is your total income. If this line is less than \$10,000, enter "0" **17** Add lines 16 and 17. This is your total income. If this line is less than \$10,000, enter "0" **18** Add lines 17 and 18. This is your total income. If this line is less than \$10,000, enter "0" **19** Add lines 18 and 19. This is your total income. If this line is less than \$10,000, enter "0" **20** Add lines 19 and 20. This is your total income. If this line is less than \$10,000, enter "0" **21** Add lines 20 and 21. This is your total income. If this line is less than \$10,000, enter "0" **22** Add lines 21 and 22. This is your total income. If this line is less than \$10,000, enter "0" **23** Add lines 22 and 23. This is your total income. If this line is less than \$10,000, enter "0" **24** Add lines 23 and 24. This is your total income. If this line is less than \$10,000, enter "0" **25** Add lines 24 and 25. This is your total income. If this line is less than \$10,000, enter "0" **26** Add lines 25 and 26. This is your total income. If this line is less than \$10,000, enter "0" **27** Add lines 26 and 27. This is your total income. If this line is less than \$10,000, enter "0" **28** Add lines 27 and 28. This is your total income. If this line is less than \$10,000, enter "0" **29** Add lines 28 and 29. This is your total income. If this line is less than \$10,000, enter "0" **30** Add lines 29 and 30. This is your total income. If this line is less than \$10,000, enter "0" **31** Add lines 30 and 31. This is your total income. If this line is less than \$10,000, enter "0"

Gross Income

1 Wages, salaries, tips, etc. (attach Form(s) W-2) **2** Tax-exempt interest income (see page 10) DON'T include on line 8a **3** Dividend income (also attach Schedule B if over \$400) **4** Capital gain or (loss) (attach Schedule D) **5** Other gains or (losses) (attach Form 4797) **6** Total IRA distributions **7** Total pensions and annuities **8** Rents, royalties, partnerships, estates, trusts, etc. (attach Schedule E) **9** Farm income or (loss) (attach Schedule F) **10** Unemployment compensation (insurance) (see page 13) **11** Social security benefits **12** Other income (list type and amount—see page 13) **13** Add the amounts shown in the far right column for lines 7 through 22. This is your total income **14** Your IRA deduction, from applicable worksheet on page 14 or 15 **15** Spouse's IRA deduction, from applicable worksheet on page 14 or 15 **16** Self-employed health insurance deduction, from worksheet on page 15 **17** Keogh retirement plan and self-employed SEP deduction **18** Penalty on early withdrawal of savings **19** Alimony paid **20** Recipient's last name **21** Add lines 1 through 29. These are your total adjustments **22** Subtract line 30 from line 13. This is your adjusted gross income. If this line is less than \$10,000, enter "0" **23** Add lines 22 and 23. This is your taxable income. If this line is less than \$10,000, enter "0" **24** Add lines 23 and 24. This is your total income. If this line is less than \$10,000, enter "0" **25** Add lines 24 and 25. This is your total income. If this line is less than \$10,000, enter "0" **26** Add lines 25 and 26. This is your total income. If this line is less than \$10,000, enter "0" **27** Add lines 26 and 27. This is your total income. If this line is less than \$10,000, enter "0" **28** Add lines 27 and 28. This is your total income. If this line is less than \$10,000, enter "0" **29** Add lines 28 and 29. This is your total income. If this line is less than \$10,000, enter "0" **30** Add lines 29 and 30. This is your total income. If this line is less than \$10,000, enter "0" **31** Add lines 30 and 31. This is your total income. If this line is less than \$10,000, enter "0"

Tax Computation

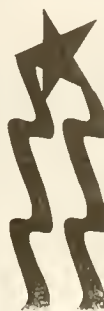
32 Amount from line 31 (adjusted gross income) **33a** Check if ☐ You were 65 or older ☐ Blind ☐ Spouse was 65 or older **33b** Add the number of boxes checked and enter the total here **33c** If someone (such as your parent) can claim you as a dependent, check here **34** If you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien, see page 16 and check here **35** Enter the ☐ a Your standard deduction (from page 17 of the Instructions), OR ☐ b Your itemized deductions (from Schedule A, line 26) **36** Subtract line 34 from line 32. Enter the result here **37** Taxable income. Subtract line 36 from line 35. Enter the result (if less than zero, enter zero) **38** Enter tax. Check if from ☐ a Tax Table ☐ b Tax Rate Schedules, or ☐ c Form 9615 **39** (If any is from Form(s) 9814, enter that amount here ☐ d ☐ Form 4970 ☐ Form 4972 **40** Add lines 38 and 39. Enter the total **41** Credit for child and dependent care expenses (attach Form 2441) **42** Credit for the elderly or the disabled (attach Schedule R) **43** Foreign tax credit (attach Form 1116) **44** General business credit. Check if from ☐ a Form 3800 or ☐ b Form (specify) **45** Credit for prior year minimum tax (attach Form 8801) **46** Add lines 41 through 45. Enter the total **47** Subtract line 46 from line 40. Enter the result (if less than zero, enter zero) **48** Self-employment tax (attach Schedule SE) **49** Alternative minimum tax (attach Form 6251) **50** Recapture taxes (see page 18). Check if from ☐ a Form 4255 ☐ b Form 8611 **51** Social security tax on tip income not reported to employer (attach Form 4137) **52** Tax on an IRA or a qualified retirement plan (attach Form 5329) **53** Add lines 47 through 52. Enter the total **54** Supplemental Medicare premium (attach Form 8808) **55** Add lines 53 and 54. This is your total tax and any supplemental Medicare premium **56** Federal income tax withheld (if any is from Form(s) 1099, check ☐) **57** 1989 estimated tax payments and amount applied from 1988 return **58** Earned income credit (see page 20) **59** Amount paid with Form 4866 (extension request) **60** Excess social security tax and RRTA tax withheld (see page 20) **61** Credit for Federal tax on fuels (attach Form 4136) **62** Regulated investment company credit (attach Form 2439) **63** Add lines 56 through 62. These are your total payments **64** If line 63 is larger than line 55, enter amount OVERPAID **65** Amount of line 64 to be REFUNDED TO YOU **66** Amount of line 64 to be APPLIED TO YOUR 1990 ESTIMATED TAX **67** If line 55 is larger than line 63, enter AMOUNT YOU OWE. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1989 Form 1040" on it **68** Penalty for underpayment of estimated tax (see page 21) **69** Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. **70** Your signature **71** Date **72** Your occupation **73** Spouse's signature (if joint return BOTH must sign) **74** Date **75** Spouse's occupation **76** Preparer's signature **77** Date **78** Preparer's occupation **79** Preparer's name (or firm's name if self-employed) **80** Check if self-employed ☐ **81** No **82** ZIP code **83** Preparer's social security no.

Form

and Schedules
A, B, C, D, E, F
and SE

1040

1989

Want
Your
Refund
Fast?

See Page 2



What's inside?

A note from the Commissioner
(page 2)

Free tax help (page 3)

Avoid common mistakes (page 22)

Tax table (page 45)

How to order forms and publications
(page 56)How to make a gift to reduce the public
debt (page 22)

Index (page 60)

Note:

This booklet does not
contain any tax forms.From the
Commissioner

Dear Taxpayer,

IRS appreciates the efforts you make to file an accurate tax return. We can improve the processing of returns and issuance of refunds if you file early and use the label we sent to you. If you have a refund coming, we can process your return even faster if you file electronically.

When we went to print with this year's forms and instructions, Congress was still considering changes to the tax law. Please take note of the information included in these instructions concerning the new law.

As your new Commissioner, I assure you we are deeply committed to do everything we can to make it easier for you to comply with the tax laws. We are equally committed to simplifying tax rules and modernizing IRS' outdated equipment. This will make it easier for you to file your tax return or resolve other tax problems. We want to provide whatever assistance we can to make filing your return as easy as possible. Let us know if we can do more.

Fred T. Goldberg, Jr.
Commissioner of Internal Revenue

What's New
for 1989?

Fast Refund. If you expect a tax refund for 1989, instead of mailing your return to IRS, you may want to have it filed electronically. When you file electronically, you receive your refund in about 3 weeks, or, in about 2 weeks if you have it deposited directly into your savings or checking account. For a change, many professional tax return preparers now offer electronic filing in addition to their return preparation services. If you prepare your own return, a preparer or transmitter in your area can file your return electronically for you. For more information on electronic filing, see **Tele-Tax Information** in the index (topic no. 112). For a list of those in your area who can file your return electronically for you, call IRS toll free at 1-800-424-1040 and ask for the Electronic Filing Office.

Refund Checks. Be sure to cash your refund check soon after you receive it. Checks not cashed within 12 months of the date of the check will be cancelled.

Deduction for Exemptions. The deduction for each exemption—for you, your spouse, and dependents—has increased to \$2,000.

For 1989, you may not claim an exemption for your child who was a full-time student and was age 24 or older at the end of the year, unless the child's gross income was less than \$2,000. But the child may claim an exemption on his or her own return.

Should You Itemize or Take the Standard Deduction? The standard deduction has increased for most people. Because of this increase, it may be to your benefit to take the standard deduction this year even though you

itemized deductions in the past. Read the instructions for line 34 on page 16.

Social Security Numbers for

Dependents Age 2 or Older. If you claim any person age 2 or older as a dependent, show that person's social security number on your return. If your dependent does not have a number, see the instructions for line 6c, column (3), on page 9.

Increased Earned Income Credit. You may be able to take the credit for 1989 if your adjusted gross income for 1989 was \$19,340 or less for a single filer and \$24,400 or less for a married couple filing jointly. The limit was \$18,576 last year. Read the instructions for line 58 on page 20 to see if you can take this credit.

Child and Dependent Care Expenses. You may deduct the credit for child and dependent care expenses or exclude employer-provided dependent care benefits from your income unless you report the new information about the care provider on Form 2441.

You may not claim a credit for payments made for the care of a dependent child who was age 13 or older unless the child was disabled. The age limit was 15 or older last year.

Supplemental Medicare Premium. If you were eligible for Medicare Part A during the year, you may owe the new supplemental Medicare premium. The premium will help pay the cost of the new Medicare catastrophic and prescription drug coverage. Read the instructions for line 54 on page 19.

Children Under 14 May Not Have To File. If your child was under age 14 and had income only from interest and dividends that totaled less than \$5,000, you may be able to elect to report your child's income on your return. If you do, your child will not have to file a return.

For more details, see **Exception for Children Under Age 14** on page 5.

Employee Business Expenses. For most people, employee business expenses are deductible only as an itemized deduction on Schedule A, line 20. You are entitled to deduct only those expenses under an arrangement with your employer and both of the conditions listed below apply. Amounts you received under the arrangement should not have been reported to you as income on your Form W-2.

- The arrangement requires you to substantiate your expenses to your employer, AND
- The arrangement requires you to return (and you do return) any amount in excess of your substantiated expense covered under the arrangement.

If the arrangement does not meet both of the above conditions, amounts you received under the arrangement should have been reported to you as wages on your Form W-2.

Pending Legislation. At the time these instructions were printed, Congress was considering changes that affect the **capital gain and supplemental Medicare premium** rules. When Congress completes its action, we will take steps to publicize the final rules.

Additional Information. If you want more information about tax law changes for 1989, get Pub. 553, **Highlights of 1989 Tax Changes**. You may also find the publications listed at the end of this booklet helpful in completing your return.

New Publication. An easy-to-read guide, **Pub. 2, The ABC's of Income Tax**, will help you better understand your taxes. It gives the basic rules that apply to most people, without the exceptions that apply to only a few.

What To Look For in 1990

Exclusion of Interest From U.S. Savings Bonds. If you cash Series EE savings bonds issued after 1989, you may be able to exclude from income part or all of the interest on those bonds. But you must have paid higher education expenses during the year for you, your spouse, or your dependent. Get Pub. 550, "Investment Income and Expenses," for details.

Privacy Act and Paperwork Reduction Act of 1980

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say that when we ask you for information, we must first tell you several things: why we are asking for it, how it will be used, whether you have a right to refuse to provide the information, and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

This notice applies to tax returns and any papers filed with them. It also applies to any questions we need to ask you so we can complete, correct, or process your return.

figure your tax, and collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a) and their regulations. They say that you must file a return or statement with us for any tax you are liable on these sections. This is so we know who you are, and can process your return and papers.

You must fill in all parts of the tax form that apply to you. Code section 6109 and its regulations say that you must show your social security number on what you file. You do not have to check the boxes for file. You Presidential Election Campaign Fund.

We ask for tax return information to carry out the tax laws of the United States. We need to figure and collect the right amount of tax.

We may give the information to the Department of Justice and to other Federal agencies, as permitted by law. We also may give the information to the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

If you do not file a return, or do not provide the information we ask for, or provide

Fraudulent information, the law says that you may be charged penalties and, in certain cases, you may be subject to criminal prosecution. We may also have to take action against you for filing a return with credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

The Time It Takes To Prepare Your Return

We try to create forms and instructions that are accurate and easy to use. But they are difficult to do because some of the tax laws enacted by Congress are very complex. For some taxpayers with income mostly from wages, filling out the forms is easy. For others who have businesses, investments, stocks, rental income, or other investments, it is more difficult.

The time needed to complete and file the following forms will vary depending on individual circumstances. The estimated average times are:

Copying, assembling, and sending the form to IRS

Learning about the law or the form	Preparing the form	Copying, assembling, and sending the form to IRS
2 hrs., 32 min.	3 hrs., 10 min.	35 min.
26 min.	1 hr., 1 min.	20 min.
8 min.	16 min.	20 min.
1 hr., 4 min.	1 hr., 56 min.	25 min.
1 hr.	1 hr., 8 min.	35 min.
1 min.	13 min.	35 min.
1 hr., 7 min.	1 hr., 16 min.	35 min.
1 hr., 59 min.	3 hrs., 52 min.	35 min.
15 min.	22 min.	35 min.
11 min.	13 min.	14 min.
22 min.	37 min.	20 min.

We Welcome Comments on Forms:

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms more simple, we would be happy to hear from you. You can write to the Internal Revenue Service, Washington, DC 20224, Attention: IRS Reports Clearance Officer, TFP, or the Office of Management and Budget, Paperwork Reduction Project (1545-0074), Washington, DC 20503.

DO NOT send your return to either of these offices. See Where To File on page 5.

How To Use This Booklet

- Pages 4-6 contain information on who must file, when and where to file, and how to choose the correct form.
- Pages 22-23 have general information.
- Page 23 begins instructions for many of the schedules that may be attached to Form 1040.

What Free Tax Help is Available?

Tax Forms and Publications. Most of your tax questions can be answered by reading the tax form instructions or one of our many free tax publications.

Recorded Tax Information by Telephone. Our Tele-Tax service has recorded tax information covering about 140 topics.

Refund Information. Beginning March 1, Tele-Tax can also tell you the status of your refund.

Telephone Help. IRS representatives are available to help you with your tax questions. If, after reading the tax form instructions and publications, you are not sure how to fill out your return, or have a question about a notice you

Page 3

received from us, please call us. Use the toll-free number for your area.

Send IRS Written Questions. You may send your written tax questions to your IRS District Director. If you don't have the address, you can get it by calling the number for your area.

To find the toll-free number for your area and the pages that contain Tele-Tax information, see "Telephone Information" in the Index.

Walk-In Help. IRS representatives are available in many IRS offices around the country to help with tax questions that cannot be answered easily by telephone or in our publications. To find the location of the IRS office nearest you, look in the phone book under "United States Government, Internal Revenue Service."

Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE). These programs help older, handicapped, and non-English-speaking people fill out their returns.

Call the toll-free telephone number for your area for details. If you received a Federal Income Tax Package in the mail, take it with you when you go for help.

Videotaped Instructions. Videotaped instructions for completing your return are available in either English or Spanish at many libraries.

Telephone Service for the Deaf. Braille materials for the blind and handicapped are available at regional libraries.

Unresolved Tax Problems. The Problem Resolution Program is for taxpayers who have been unable to resolve their problems with the IRS. If

you have a tax problem you cannot clear up through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance. This office cannot change the tax law or technical decisions. But it can help you clear up problems that resulted from previous contacts.

Free Social Security Personal Earnings and Benefit Estimate Statement. The Social Security Administration (SSA) can mail you a statement of your earnings covered by social security and your estimated future benefits. To get this statement, complete a simple form and return it to SSA. You may get a request form by writing to Consumer Information Center, Department 72, Pueblo, CO 81009.

Use Chart A below to see if you must file a return. But, you must use Chart 8 on page 5 if someone (such as your parent) can claim you as a dependent on his or her return. Also see Other Filing Requirements on page 5.

Who Must File

Chart A—For Most People

To use this chart, first find your marital status at the end of 1989. Then, read across to find your filing status and age at the end of 1989. You must file a return if your gross income* was at least the amount shown in the last column.

Marital status	Filing status	Age	Gross income*
Single	Single	under 65 65 or older	\$5,100 \$5,850
Head of household	Head of household	under 65 65 or older	\$6,550 \$7,300
Married with a child and living apart from your spouse during the last 6 months of 1989 (see page 7)	Head of household	under 65 65 or older	\$6,550 \$7,300
Married and living with your spouse at end of 1989 (or on the date your spouse died)	Married, joint return	under 65 (both spouses) 65 or older (one spouse) 65 or older (both spouses)	\$9,200 \$9,800 \$10,400
Married, not living with your spouse at end of 1989 (or on the date your spouse died)	Married, separate return	any age	\$2,000
Married, not living with your spouse at end of 1989 (or on the date your spouse died)	Married, joint or separate return	any age	\$2,000
Single	Single	under 65 65 or older	\$5,100 \$5,850
Head of household	Head of household	under 65 65 or older	\$6,550 \$7,300
Qualifying widow(er) with dependent child (see page 7)	Qualifying widow(er) with dependent child (see page 7)	under 65 65 or older	\$7,200 \$7,800

* **Gross income** usually means money, goods, and property you received on which you must pay tax. It does not include nontaxable income. See page 9 of the instructions to find out which types of income you should include.

Page 4

Chart B—For Children and Other Dependents

(See the instructions for line 6c on page 8 to find out if someone can claim you as a dependent.)

If someone (such as your parent) can claim you as a dependent, and any of the 4 conditions listed below applies to you, you must file a return.

1. Single dependents under 65

You must file a return if—

- Your unearned income was:

less than \$1,000	the total of that income plus your earned income was:
\$1 or more	more than \$3,850
\$3 or more	more than \$3,100
\$0	more than \$3,100

2. Single dependents 65 or older or blind

You must file a return if—

- Your earned income was more than \$3,850, or
- Your unearned income was more than \$1,250 (\$2,000 if 65 or older and blind), or
- Your gross income was more than the total of your earned income (up to \$3,100) or \$500, whichever is larger, plus \$750 (\$1,500 if 65 or older and blind).

Exception for Children Under Age 14

If your child was under age 14 on January 1, 1990, and all of the following apply, you may elect to report your child's income on your return. If you make this election, your child does not have to file a return.

- Your child had income only from interest and dividends; and
- Your child's gross income was less than \$5,000; and

Other Filing Requirements

You must file a return if any of the following applied for 1989:

- You owe any special taxes, such as:
 - social security tax on tips you did not report to your employer;
 - uncollected social security tax or RRTA tax on tips you reported to your employer;
 - alternative minimum tax;
 - tax on an individual Retirement Arrangement (IRA) or a qualified retirement plan; or
 - tax from recapture of investment credit or low-income housing credit.
- You received any advance earned income credit (EIC) payments from your employer(s).
- You had net earnings from self-employment income of at least \$400.
- You had wages of \$100 or more from a church or qualified church-controlled organization that is exempt from employer social security taxes.

When To File

You should file as soon as you can after January 1, but not later than April 15, 1990.

If you file late, you may have to pay penalties and interest. See Penalties and Interest on page 22.

If you cannot file your return by the due date, you should file Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, by April 15, 1990.

Note: Form 4868 does not extend the time to pay your income tax. See the Instructions for Form 4868.

If you are a U.S. citizen or resident, you may qualify for an automatic extension of time to file if, on the due date of your return, you meet one of the following conditions:

- You are outside the U.S. and your principal place of abode is outside the U.S. and Puerto Rico, AND you are in the U.S. for less than 120 days in 1989.
- You are in military or naval service on duty outside the U.S. and Puerto Rico.
- You are outside the U.S. and Puerto Rico.

The extension gives you an extra two months to file and pay the tax, but interest will be charged from the original due date of the return on any unpaid tax. You must attach a statement to your return showing the date you filed your return.

Where To File

If an addressed envelope came with your return, use it. If you do not have one, or if you moved during the year, mail your

American Samoa Philadelphia, PA 9255

Guam Commission of Revenue and Taxation 955 West Marine Dr. Agaña, GU 96910

Puerto Rico (if excluding nonresident aliens on 933) Philadelphia, PA 9255

Virgin Islands Nonresident dependents

Virgin Islands V.I. Bureau of Internal Revenue Taxpayers' Guide No. 17-A St. Thomas, VI 00002

Foreign country U.S. citizens and those living in U.S. and F.D. addresses Philadelphia, PA 9255

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• You claim any of the credits on Form 1040, lines 42 through 45, or any write-in amount included on line 46 on Form 1040.

• You are a U.S. citizen or resident on line 19, 48 through 52, or any write-in amount included on line 53 (other than advance earned income credit payments) on Form 1040, lines 57, 61, 62, or any write-in amount included on line 62 or 63.

• You file any of these forms

Form 1040-E, Estimated Tax for Individuals, for 1989

Form 2210, Underpayment of Estimated Tax by Individuals and Fiduciaries

Form 2555, Foreign Earned Income

Form 4563, Exclusion of Income for Bona Fide Residents of American Samoa

Form 8271, Investor Reporting of Tax Shelter Registration Number

Form 8814, Parent's Election To Report Child's Interest and Dividends

• You had income only from wages, salaries, tips, taxable scholarships and fellowships, and not more than \$400 of taxable interest income

• You do not itemize deductions or claim any adjustments to income or tax credits

• You MAY Be Able To Use Form 1040EZ if:

• You were single and do not claim any dependents

• You were not 65 or older OR blind

• You had only wages, salaries, tips, taxable scholarships and fellowships, and not more than \$400 of taxable interest income

• You do not itemize deductions or claim any adjustments to income or tax credits

• You MAY Be Able To Use Form 1040A if:

• You had income only from wages, salaries, tips, taxable scholarships and fellowships, unemployment compensation, interest, or dividends

• Your taxable income is less than \$50,000

• You do not itemize deductions

• You can claim an individual retirement arrangement (IRA), and nondeductible contributions to an IRA, and the credit for child and dependent care expenses. You may use it even if you owe the new supplemental Medicare premium

• Since Forms 1040A and 1040EZ are easier to complete than Form 1040, you should use one of them unless using Form 1040 would be more beneficial. Some of the situations apply to you

• You MUST Use Form 1040 if:

• Your taxable income is \$50,000 or more

• You itemize deductions (Read the instructions on line 34 on page 16 to see if you qualify for the deduction)

• You have a tax-exempt interest or dividends that actually belong to another person

• You received or paid accrued interest on securities transferred between interest payment dates

• You received any nontaxable dividends or capital gain distributions

• You are required to file in Part III of Schedule B for foreign accounts and foreign trusts (see page 27 of the instructions)

• You had any of the kinds of income shown on Form 1040, lines 10 through 15, 21b, or 22b, or any of the kinds of income or equivalent railroad retirement benefits

• You take any of the adjustments to income shown on Form 1040, lines 26 through 29, or any write-in amount included on line 30.

Page 6

Step 4—Check your return to make sure it is correct.

See Avoid Common Mistakes on page 22

Step 5—Sign and date your return.

Form 1040 is not considered a valid return unless you sign it. Your spouse must also sign if it is a joint return

Step 6—Attach all required forms and schedules.

Attach the first copy of Copy 8 of Forms W-2, W-2G, and W-2P to the front of Form 1040

Attach all other schedules and forms behind Form 1040 in order of the "Attachment Sequence No." shown in the upper right corner of the schedule or form. For example, the "Attachment Sequence No." for Schedule A (Form 1040) is 07.

Attach forms without an attachment sequence number at the end of your return

If you need more space on forms, use the schedule or form as a guide. Be sure the same format as the printed forms. But show your totals on the printed forms. Please use sheets that are the same size as the forms and schedules. Be sure to put your name and attach them at the end of your return

If you owe tax, be sure to attach your payment to the front of Form 1040

Line-by-Line Instructions

Name, Address, and Social Security Number

We can process your return faster if you use the mailing label on the front of the instruction booklet. But don't attach it until you have finished your return. Cross out any errors and print the correct information on the label. Add any missing items (such as your apartment number).

Caution: If the label is for a joint return and the social security numbers are not listed in the same order as the names, show the names in the correct order.

If you do not have a label, print or type the information in the spaces provided. But if you are married filing a separate return, do not enter your husband's or wife's name here. Instead, show his or her name in the space provided on line 3.

Space Change: If you changed your name because of marriage, divorce, etc., be sure to report this to the Social Security Administration. Also, show the name in the same name in its records that you have on your tax return. This prevents delays in processing your return and safeguards your future social security benefits.

Social Security Number. Enter your social security number in the area marked "Your social security number." If you are married, write your husband's or wife's social security number in the area marked "His or her social security number." Be sure that the number you enter agrees with the number shown on your social security card. Also be sure to check that your social security number is correct on your Forms W-2 and 1099. See page 22 for more information.

Step 3—Fill in your return.

The line-by-line instructions begin below

IRA Worksheet 2 (Keep for your records)

1. If you checked 2 or 5, enter \$35,000. If the result is not a multiple of \$10, if the result is \$200 or more, enter the result. If it is less than \$200, enter \$200.

16. Enter the amount from line 9.

17. Subtract line 16 from line 15.

18. Enter the result.

19. Compare the amounts on lines 6, 7, and 18 and enter the smallest of the three amounts on line 19.

20. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

21. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

22. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

23. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

24. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

25. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

26. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

27. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

28. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

29. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

30. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

31. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

32. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

33. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

34. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

35. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

36. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

37. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

38. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

39. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

40. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

41. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

42. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

43. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

44. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

45. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

46. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

47. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

48. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606 the amount you choose to make nondeductible.

Line 27**Keogh Retirement Plan and Self-Employed SEP Deduction**

If you are self-employed or a partner, enter the amount of your deduction for your employees on Schedule C or F.

Caution: You must be self-employed to claim the Keogh deduction. There are two types of Keogh plans:

• A defined-contribution plan has a separate account for each person. Benefits are based on the amount paid to each account.

• Payments to a defined-benefit plan are determined by the funds needed to give a specific benefit at retirement. If you deduct payments to this kind of plan, write "DB" to the left of line 27.

Get Pub. 560, Self-Employed Retirement Plans, for more information, including limits on the amount you can deduct.

Line 28**Penalty on Early Withdrawal of Savings**

The Form 1099-INT or, if applicable, Form 1099-DIV given to you by your bank or savings and loan association will show the amount of any penalty you were charged because you withdrew funds from your time savings deposit before its maturity. Enter this amount on line 28. (Be sure to include the interest income on Form 1040, line 8.)

Line 29**Alimony Paid**

You can deduct periodic payments of alimony or separate maintenance made under a court decree. You can also deduct payments made under a written separation agreement or a decree for support. Don't deduct lump-sum cash or property settlements, voluntary payments not made under a court order or a written separation agreement, or amounts specified as child support.

For details, see **Tele-Tax Information** in the index (Topic no. 252) or get Pub. 504, Tax Information for Divorced or Separated Individuals.

You must enter the recipient's last name, if different than yours, and his or her social security number in the space provided on line 29. If you don't, you may have to pay a \$50 penalty and your deduction may be disallowed. If you paid alimony to more than one person, enter the name of each on line 29 and last name, if applicable, of one of the recipients. Show the required information, including the amount paid, for the other recipient(s) on an attached statement. Enter your total payments on line 29.

Line 30**Divorce or Separation Instruments Executed After 1984**

Generally, you may deduct any payment made in cash to, or on behalf of, your spouse or former spouse, executed after 1984, under a divorce or separation instrument.

• The instrument does not prevent the payment of qualifying alimony, and

• The payment is for your spouse or former spouse and is made together when the payment was made if you were separated under a decree of divorce or separate maintenance, and

• The payment is for your spouse or former spouse and is made together when the payment was made if you were separated under a decree of divorce or separate maintenance, and

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Line 31**Adjusted Gross Income**

If line 31 is less than zero, you may have a net operating loss that you can carry to another tax year. See **Form 1045**, Application for Refund of Income Tax, for more information.

If you are a partner in a partnership, you may elect to carry the loss over to future years. You must attach the election to your return. For more information, get Pub. 536, Net Operating Losses.

Line 32**Qualified Performing Artists**

If you are a qualified performing artist, include in line 32 the amount of your net earnings related to your performance as a performing artist. See **Form 8615**, Alternative Minimum Tax—Performing Artists, for more information.

Line 33**Form 8606, Supplemental Medicare Information**

Form 8606, Supplemental Medicare Information, is required if you have Medicare income of more than \$1,000. See **Form 8606**, Supplemental Medicare Information, for more information.

Line 34**Form 8614, Parent's Election To Report Child's Interest and Dividends**

Form 8614, Parent's Election To Report Child's Interest and Dividends, is required if you are filing a joint return and you are the parent of a child who is a U.S. citizen or resident at the end of 1989 and you and your spouse agree to be taxed on your combined worldwide income. Do not check the box.

Line 35**Form 8615, Alternative Minimum Tax—Performing Artists**

Form 8615, Alternative Minimum Tax—Performing Artists, is required if you are a qualified performing artist. See **Form 8615**, Alternative Minimum Tax—Performing Artists, for more information.

Line 36**Form 8616, Foreign Earned Income Exclusion**

Form 8616, Foreign Earned Income Exclusion, is required if you are claiming the foreign earned income exclusion. See **Form 8616**, Foreign Earned Income Exclusion, for more information.

Line 37**Form 8617, Foreign Tax Credit**

Form 8617, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8617**, Foreign Tax Credit, for more information.

Line 38**Form 8618, Foreign Tax Credit**

Form 8618, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8618**, Foreign Tax Credit, for more information.

Line 39**Form 8619, Foreign Tax Credit**

Form 8619, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8619**, Foreign Tax Credit, for more information.

Line 40**Form 8620, Foreign Tax Credit**

Form 8620, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8620**, Foreign Tax Credit, for more information.

Line 41**Form 8621, Foreign Tax Credit**

Form 8621, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8621**, Foreign Tax Credit, for more information.

Line 42**Form 8622, Foreign Tax Credit**

Form 8622, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8622**, Foreign Tax Credit, for more information.

Line 43**Form 8623, Foreign Tax Credit**

Form 8623, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8623**, Foreign Tax Credit, for more information.

Line 44**Form 8624, Foreign Tax Credit**

Form 8624, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8624**, Foreign Tax Credit, for more information.

Line 45**Form 8625, Foreign Tax Credit**

Form 8625, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8625**, Foreign Tax Credit, for more information.

Line 46**Form 8626, Foreign Tax Credit**

Form 8626, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8626**, Foreign Tax Credit, for more information.

Line 47**Form 8627, Foreign Tax Credit**

Form 8627, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8627**, Foreign Tax Credit, for more information.

Line 48**Form 8628, Foreign Tax Credit**

Form 8628, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8628**, Foreign Tax Credit, for more information.

Line 49**Form 8629, Foreign Tax Credit**

Form 8629, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8629**, Foreign Tax Credit, for more information.

Line 50**Form 8630, Foreign Tax Credit**

Form 8630, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8630**, Foreign Tax Credit, for more information.

Line 51**Form 8631, Foreign Tax Credit**

Form 8631, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8631**, Foreign Tax Credit, for more information.

Line 52**Form 8632, Foreign Tax Credit**

Form 8632, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8632**, Foreign Tax Credit, for more information.

Line 53**Form 8633, Foreign Tax Credit****Line 54****Form 8634, Foreign Tax Credit**

Form 8634, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8634**, Foreign Tax Credit, for more information.

Line 55**Form 8635, Foreign Tax Credit**

Form 8635, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8635**, Foreign Tax Credit, for more information.

Line 56**Form 8636, Foreign Tax Credit**

Form 8636, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8636**, Foreign Tax Credit, for more information.

Line 57**Form 8637, Foreign Tax Credit**

Form 8637, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8637**, Foreign Tax Credit, for more information.

Line 58**Form 8638, Foreign Tax Credit**

Form 8638, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8638**, Foreign Tax Credit, for more information.

Line 59**Form 8639, Foreign Tax Credit**

Form 8639, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8639**, Foreign Tax Credit, for more information.

Line 60**Form 8640, Foreign Tax Credit**

Form 8640, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8640**, Foreign Tax Credit, for more information.

Line 61**Form 8641, Foreign Tax Credit**

Form 8641, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8641**, Foreign Tax Credit, for more information.

Line 62**Form 8642, Foreign Tax Credit**

Form 8642, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8642**, Foreign Tax Credit, for more information.

Line 63**Form 8643, Foreign Tax Credit**

Form 8643, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8643**, Foreign Tax Credit, for more information.

Line 64**Form 8644, Foreign Tax Credit**

Form 8644, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8644**, Foreign Tax Credit, for more information.

Line 65**Form 8645, Foreign Tax Credit****Line 66****Form 8646, Foreign Tax Credit**

Form 8646, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8646**, Foreign Tax Credit, for more information.

Line 67**Form 8647, Foreign Tax Credit**

Form 8647, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8647**, Foreign Tax Credit, for more information.

Line 68**Form 8648, Foreign Tax Credit**

Form 8648, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8648**, Foreign Tax Credit, for more information.

Line 69**Form 8649, Foreign Tax Credit**

Form 8649, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8649**, Foreign Tax Credit, for more information.

Line 70**Form 8650, Foreign Tax Credit**

Form 8650, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8650**, Foreign Tax Credit, for more information.

Line 71**Form 8651, Foreign Tax Credit**

Form 8651, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8651**, Foreign Tax Credit, for more information.

Line 72**Form 8652, Foreign Tax Credit**

Form 8652, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8652**, Foreign Tax Credit, for more information.

Line 73**Form 8653, Foreign Tax Credit**

Form 8653, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8653**, Foreign Tax Credit, for more information.

Line 74**Form 8654, Foreign Tax Credit**

Form 8654, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8654**, Foreign Tax Credit, for more information.

Line 75**Form 8655, Foreign Tax Credit**

Form 8655, Foreign Tax Credit, is required if you are claiming the foreign tax credit. See **Form 8655**, Foreign Tax Credit, for more information.

Caution: If you are married filing a separate return and your spouse itemizes deductions, or if you are a dual-status alien (you checked the box on line 33c), you cannot take the standard deduction even if you were 65 or older or blind.

Standard Deduction Chart for Most People	
DO NOT use this chart if you were 65 or older or blind OR if someone can claim you as a dependent.	
If your filing status is:	Your standard deduction is:
Single	\$3,100
Married filing joint return	\$5,200
Qualifying widow(er) with dependent child	\$5,200
Married filing separate return	\$2,600
Head of household	\$4,550

Standard Deduction Chart for People Age 65 or Older or Blind

If someone can claim you as a dependent, use the worksheet below, instead.

Enter the number from the box on line 33a of Form 1040		Caution: Do not use the number of exemptions from line 6e.	
If your filing status is:		and the number in the box above is:	
Single	1	1	\$3,850
	2	2	4,600
Married filing joint return	1	1	\$5,800
or	2	2	6,400
Qualifying widow(er) with dependent child	3	3	7,000
	4	4	7,600
Married filing separate return	1	1	\$3,200
	2	2	4,000
	3	3	4,400
	4	4	5,000
Head of household	1	1	\$5,300
	2	2	6,050

Standard Deduction Worksheet for Dependents (Keep for your records)

Use this worksheet ONLY if someone can claim you as a dependent

1. Enter your earned income (defined below). If none, enter -0-	1.	
2. Minimum amount	2.	\$500
3. Compare the amounts on lines 1 and 2. Enter the larger of the two amounts here	3.	
4. Enter on line 4 the amount shown below for your filing status:	4.	
<ul style="list-style-type: none"> Single, enter \$3,100 Married filing a separate return, enter \$2,600 Married filing a joint return or Qualifying widow(er) with dependent child, enter \$5,200 Head of household, enter \$4,550 		
5. Standard deduction.		
<ul style="list-style-type: none"> a. Compare the amounts on lines 3 and 4. Enter the smaller of the two amounts here. If under 65 and not blind, stop here and enter this amount on Form 1040, line 34. Otherwise, go on to line 5b. b. If 65 or older or blind, multiply \$750 (\$500 if married filing a joint or separate return, or qualifying widow(er) with dependent child) by the number on Form 1040, line 33a. Enter the result c. Add lines 5a and 5b. Enter the total here and on Form 1040, line 34 		

Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income. Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 19.

Line 38

Tax

To figure your tax, use one of the following methods:

Tax Rate Schedules. You must use the Tax Rate Schedules to figure your tax if your taxable income is \$50,000 or more.

Form 8615. Form 8615 must generally be used to figure the tax for any child who was

under age 14 on January 1, 1990, and who had more than \$1,000 of investment income (including capital gains and dividends) in 1989.

Parent's Tax Credit. If you are filing Form 9814, Parent's Tax Credit, you must use the child's tax credit from Form 8615 to figure the child's tax.

Other methods. If neither of the above conditions applies to you, you MUST use the Tax Table to find your tax. Be sure you

used to figure the tax for any child who was

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Line 39

Additional Taxes

Check the boxes on line 39 to report any additional taxes from:

Form 4970. Tax on Accumulation

Distribution of Trusts, or

Form 4972. Tax on Lump-Sum Distributions

Line 40

Credits

Line 41

Dependent Care Expenses

You may be able to take a credit on line 41 for payments you made for child and disabled dependent care while you (and your spouse if you were married) worked or looked for work.

The credit is allowed if you kept up a home that included a child under age 13, your dependent or spouse who could not care for himself or herself. Use Form 2441 to figure the credit. To take the credit, you must show on Form 2441 the name, address, and identifying number of the person or organization who provided the care. Please see the instructions for more details, including special rules for divorced or separated parents.

Note: If someone cared for your child or disabled dependent in your home, both you and the employee may have to pay a share of the social security tax on the employee's wages. You may also have to pay Federal unemployment tax, which is for your employee's unemployment insurance. For more details, see Publication 926, Employment Taxes for Household Employers.

Line 42

Credit for the Elderly or the Disabled

You may be able to take this credit and reduce your tax if, by the end of 1989, you were:

- age 65 or older, or
- age 65 or older, you retired on permanent and total disability, or
- disabled income in 1989.

For more information, see the separate instructions for Schedule R. Enter the credit on line 42. If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax** and **Some of Your Credits** on page 16.

Line 43

Foreign Tax Credit

Form 1116 explains when you can take this credit for payment of income tax to a foreign country. Also see Pub. 514, Foreign Tax Credit for Individuals. Enter the credit on Form 1116 on line 43.

Line 44

General Business Credit

Complete line 44 if you can take any of the 5 credits listed below. See the separate instructions for each credit form (as described below) for more details. If you have two or more of these credits, a credit carryforward, or a general business credit from a passive activity, you must also complete Form 3800 to figure the total credit and enter on line 44 the amount from Form 3800. Also be sure to check Box 13 on Form 990 if you have only one credit, enter on line 44 the amount of the credit from the form. Also, check Box b

on line 44 and write in the form number for that credit.

Form 3468. Computation of Investment Credit. This credit was generally repealed for property placed in service after 1985.

For exceptions, see Form 3468.

Form 5884. Jobs Credit. If you are a business employer who hires people who are members of certain target groups, you may qualify for this credit.

Form 5884. Jobs Credit. For more details, see Form 5884.

Form 6478. Credit for Alcohol Used as Fuel. If you sell straight alcohol (or an alcohol mixture) at retail or use it as fuel in your trade or business, you may be able to take a credit for the alcohol used as fuel. Use Form 6478 to figure the credit.

Form 6765. Credit for Increasing Research Activities. You may be able to take a credit for the research and development expenditures paid or incurred in carrying on your trade or business. Use Form 6765 to figure the credit.

Form 8586. Low-Income Housing Credit and Schedule A (Form 8609). Annual Statement. If you owned a building that was part of a low-income housing project, you may be able to take this credit. Use Form 8586 and Schedule A (Form 8609) to figure the credit. Also see the instructions for Form 8609. Low-Income Housing Credit Allocation Certificate.

Line 45

Credit for Prior Year Minimum Tax

You may be able to reduce your 1989 tax by this credit if you paid alternative minimum tax in 1988. Get Form 8801, Credit for Prior Year Minimum Tax, to see if you qualify for the credit.

Line 46

Mortgage Interest Credit

You may be able to take a credit for part of the interest you paid on a qualified mortgage loan secured by a state or local government credit certificate by a mortgage credit certificate program to buy, rehabilitate, or make improvements to your main home. You must complete and attach Form 8396, Mortgage Interest Credit, to your return. Enter the amount of the credit to include in your tax on line 46. O - "MIC" (mortgage interest credit) and show the amount.

Source: A credit is allowed for the sale of qualified fuels produced from a nonconventional source. See I.R. Code section 29 for a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule showing the credit for each qualified fuel. Enter the credit in the total for line 46. On the dotted line next to this total, write "FNS" and show the amount.

Line 47

Other Taxes

Line 48

Self-Employment Tax

If you had self-employment income in 1989, and earned under \$48,000 in wages

from which social security tax or RRTA tax was withheld, you may have to pay self-employment tax. Please see **Schedule SE** (Form 1040) and its instructions. If you have to pay self-employment tax, enter the amount from Schedule SE.

Line 49

Alternative Minimum Tax

You may be liable for the alternative minimum tax if the amount on line 32 plus any of the items listed below and on line 33 exceeds the amount on line 34.

- \$40,000 if married filing jointly or on a return for more than one person.
- \$30,000 if single or head of household, or
- \$20,000 if married filing separately.

1. Accelerated depreciation.

2. Amortization of certified pollution-control facilities.

3. Charitable contribution of appreciated capital gain property.

4. Incentive stock options.

5. Tax-exempt interest from private activity bonds or exempt-interest dividends from a regulated investment company.

6. Intangible drilling costs.

7. Depletion.

8. Circulation and research and experimental expenditures.

9. Mining exploration and development costs.

10. Installment sales of property.

11. Tax shelter farm loss.

12. Passive activity loss.

13. Income from long-term contracts.

Note: A child under age 14 may owe the alternative minimum tax if the amount on line 32, plus any of the items listed above and included on the return total more than the sum of \$1,000 plus the child's earned income.

Get Form 6251 and its instructions to see if you owe this tax.

Line 50

Recapture Taxes

You may owe the tax computed on Form 4255, Recapture of Investment Credit, if you disposed of investment credit property or changed its use before the end of its useful life or recovery period. See Form 4255 for details. If you owe this tax, check the box for Form 4255 and enter any tax due on line 50.

If you disposed of property (or there was a deemed disposition) of low-income housing credit, you may owe the tax computed on Form 8611, Recapture of Low-Income Housing Credit. See Form 8611 for more information. If you owe this tax, check the box for Form 8611 and enter any tax due on line 50.

Line 51

Social Security Tax on Tip Income

If you received tips of \$20 or more in any month and you did not report the full amount to your employer, or your W-2 (form) shows allocated tips that you must report in income, you must pay the social security or railroad retirement (RRTA) tax on the

Page 17

unreported tips. If you reported the full amount to your employer but the social security or RRTA tax was not withheld, you must pay it unless the rules discussed under **Unreported Tips** (line 53) apply.

To figure the amount of social security tax on the tips, complete Form 4137 and attach it to your Form 1040. Enter the tax on line 51.

To determine the amount of RRTA tax on the tips, contact your nearest Railroad Retirement Board office. On line 51, enter the amount of RRTA tax. On line 51, enter the amount of RRTA tax. On line 51, enter the amount of RRTA tax.

Be sure all your tips are reported as income on Form 1040, line 7. You may be charged a penalty equal to 50% of the social security tax due on tips you received and did not report to your employer.

Line 52

Tax on Qualified Retirement Plans (Including IRAs)

You may owe this tax if (1) you received any early distributions from a qualified pension plan (such as your IRA), qualified annuity plan, or other qualified plan, or (2) you received any excess distributions from a plan mentioned in (1); (3) you made excess contributions to your IRA; (4) you had excess accumulations in a qualified pension plan (including an IRA); or (5) you received any amount under a modified endowment contract entered into after June 20, 1988.

If any of the above applies, get Form 5329 and its instructions to see if you owe this tax. Enter the tax on Form 5329 on Form 1040, line 52.

Line 53 Be sure to include in income on line 53 the tax on the following: (1) the tax on early distributions from qualified retirement plans.

Line 54 Add lines 47 through 52. Put the total on line 53. Also include in the total on line 53 any of the following that applies:

Section 72 (m)(5) Excess Benefits Tax. If you are a 5% owner of a business and you have received a qualified pension or annuity plan, you may have to pay a penalty tax of 10% of the distribution. Get Pub. 560, Self-Employed Retirement Plans, for more details.

Include the amount of the penalty in your total for line 53. On the dotted line next to this total, write "Section 72 (m)(5)" and show the amount.

Advance Earned Income Credit (AEIC) Payments. If you received AEIC payments, include the amount of the payments on the dotted line next to this total, write "AEIC," and show the amount. Your W-2 form(s) will show these payments.

Note: Figure the earned income credit you can actually take on the worksheet on page 20.

Uncollected Employee Social Security and RRTA Tax on Tips. If you did not have enough wages to cover the social security tax or railroad retirement (RRTA) tax due on tips you reported to your employer, the amount of tax due will be shown on your Form W-2. Include that amount in the total

on line 53. On the dotted line next to this total, write "Uncollected Tax on Tips" and show the amount.

Golden Parachute Payments. Golden parachute payments are certain payments made by a corporation to key employees to compensate them if control of the corporation changes. If you received an excess parachute payment (EPP), you must pay a tax equal to 20% of this excess payment. Include the amount of this tax on line 53. On the dotted line next to this total, write "EPP" and show the amount of the tax.

If you received a Form W-2 that includes a parachute payment, the amount of tax withheld on any excess payment should be identified from Box 16 of Form W-2. Include the amount from Box 16 in the total for line 53.

If you received a Form 1099-MISC that includes a parachute payment, any excess payment will be separately identified on the form. Multiply the excess payment by 20% to figure the amount to include in the total for line 53.

Installment Sales for Dealers in Personal Property. If you deferred payment of tax in 1987 or 1988 under Sec. 811 (c)(7) of the Tax Reform Act of 1986, you must include the taxable portion of tax for 1989 in the total for line 53. Write "Sec. 453C" and the amount on the dotted line next to line 53.

Line 54

Medicare Premium

Caution: At the time these instructions were printed, Congress was considering legislation that would change the rules below for the supplemental Medicare tax. Congress has not yet acted on this legislation. IRS will take steps to publicize the final rules.

The following rules applied at the time these instructions were printed. You will usually owe the new supplemental Medicare premium for 1989 if both 1 and 2 below apply to you. The Medicare catastrophic and prescription drug coverage.

1. The amount on line 53 is \$150 or more, and

2. You (or your spouse) were Medicare eligible for more than 6 full months in 1989.

If both 1 and 2 above apply to you, use Form 8803 to figure the amount of premium you owe. Form 8803 will be available when Congress completes its action. Also see the separate instructions for Form 8803 for the special rule for married persons filing separate returns and exceptions to the rules above.

Name Change. If you changed your name because of marriage, divorce, etc., and you made estimated tax payments during your first year of 1989, you must include the payments on the front of Form 1040 explaining all the payments you and your spouse made in 1989, the Service Center where you made the payments, and the name(s) and social security number(s) under which you made the payments.

Medicare eligible if any one of the following applies:

• You received Form SSA-1099 or Form SSA-1042 indicating that you were Medicare eligible for more than 6 full months in 1989, or

• You were 65 or older and would have been entitled to monthly social security or railroad retirement benefits if you had filed an application, or

• You were qualified for Medicare Part A on the basis of government employment and you were age 65 or older, or

Line 58

Earned Income Credit

This is a special credit that can help some people who have a child and have income under \$19,340. The credit can be as much as \$934. If you can take the credit, you can subtract it from the tax you owe. If you are not eligible, you will not get the credit.

Qualifying Widower With Dependent Child. Your child must be claimed as your dependent on line 6c. Your "child" means your son or daughter, stepchild, adopted child, or other child, whom you cared for as your own child for the whole year.

Head of Household. If your child was unmarried, this child does not have to be your dependent. Enter the child's name on line 4 of your return if the child is not your dependent. Your "child" means your son or daughter, stepchild, adopted child, or other child, whom you cared for as your own child for the whole year.

Married Filing Joint Return. Your child must be claimed as your dependent on line 6c. Exemption: If this child's other parent is claimed as a dependent under the rules for Children of Divorced or Separated Parents (see page 8), you can take the credit if you meet all of the other conditions listed above. If you can take the credit because of this exception, enter your name on line 58 (unless the child's name in the space provided on line 4).

Note: You must file a return if you got advance earned income credit (AEIC) payments in 1989. You must include the amount of these payments in the total on line 58 because of this exception.

Earned Income Credit Worksheet (Keep for your records)

If your filing status is single or married filing separately, you cannot take the credit. Do not complete this worksheet.

1. Enter the amount from Form 1040, line 7, plus any other earned income, whether taxable or not. But do not include scholarship or fellowship income. If you are a student, enter the amount on line 58. If you are not a student, enter the amount on line 58. If you are a student, enter the amount on line 58. If you are not a student, enter the amount on line 58.

2. If you were self-employed, enter the amount, even if a loss, from Schedule SE, Section A, line 3, or Section B, line 3c. But, if you use the optional method to figure your self-employment tax, see Pub. 596 for instructions. If you are self-employed, enter the amount on line 58. If you are not self-employed, enter the amount on line 58. If you are self-employed, enter the amount on line 58. If you are not self-employed, enter the amount on line 58.

3. **Earned income.** Add lines 1 and 2. By line 2, a loss, subtract line 2 from line 1. If the result is less than \$1,340, stop here; you cannot take the credit. Otherwise, go on to line 4.

4. **Adjusted gross income.** Enter the amount from Form 1040, line 32. If this amount is \$19,340 or more, stop here; you cannot take the credit. Otherwise, go on to line 5 or line 6, whichever applies.

5. If line 4 is less than \$10,250, use the amount on line 3 to find the credit in the table that begins on page 52. Enter the credit here and on Form 1040, line 58.

6. If line 4 is \$10,250 or more

a. First, use the amount on line 3 to find the credit in the table that begins on page 52. Enter that amount here.

b. Then, use the amount on line 4 to find the credit in the table. Enter that amount here.

c. Compare the amounts on lines 6a and 6b above. Enter the smaller of the two amounts here. Also enter this amount on Form 1040, line 58.

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enter your child's name on the dotted line next to line 58.

Your "child" means your son or daughter, stepchild, adopted child, a child placed with you by an authorized placement agency for adoption by you, or any other child, such as your grandchild, whom you cared for as your own child for the whole year.

Qualifying Widower With Dependent Child. Your child must be claimed as your dependent on line 6c. Your "child" means your son or daughter, stepchild, adopted child, or other child, whom you cared for as your own child for the whole year.

Head of Household. If your child was unmarried, this child does not have to be your dependent. Enter the child's name on line 4 of your return if the child is not your dependent. Your "child" means your son or daughter, stepchild, adopted child, or other child, whom you cared for as your own child for the whole year.

Married Filing Joint Return. Your child must be claimed as your dependent on line 6c. Exemption: If this child's other parent is claimed as a dependent under the rules for Children of Divorced or Separated Parents (see page 8), you can take the credit if you meet all of the other conditions listed above. If you can take the credit because of this exception, enter your name on line 58 (unless the child's name in the space provided on line 4).

Note: You must file a return if you got advance earned income credit (AEIC) payments in 1989. You must include the amount of these payments in the total on line 58 because of this exception.

Earned Income Credit Worksheet (Keep for your records)

If your filing status is single or married filing separately, you cannot take the credit. Do not complete this worksheet.

1. Enter the amount from Form 1040, line 7, plus any other earned income, whether taxable or not. But do not include scholarship or fellowship income. If you are a student, enter the amount on line 58. If you are not a student, enter the amount on line 58. If you are a student, enter the amount on line 58. If you are not a student, enter the amount on line 58.

2. If you were self-employed, enter the amount, even if a loss, from Schedule SE, Section A, line 3, or Section B, line 3c. But, if you use the optional method to figure your self-employment tax, see Pub. 596 for instructions. If you are self-employed, enter the amount on line 58. If you are not self-employed, enter the amount on line 58. If you are self-employed, enter the amount on line 58. If you are not self-employed, enter the amount on line 58.

3. **Earned income.** Add lines 1 and 2. By line 2, a loss, subtract line 2 from line 1. If the result is less than \$1,340, stop here; you cannot take the credit. Otherwise, go on to line 4.

4. **Adjusted gross income.** Enter the amount from Form 1040, line 32. If this amount is \$19,340 or more, stop here; you cannot take the credit. Otherwise, go on to line 5 or line 6, whichever applies.

5. If line 4 is less than \$10,250, use the amount on line 3 to find the credit in the table that begins on page 52. Enter the credit here and on Form 1040, line 58.

6. If line 4 is \$10,250 or more

a. First, use the amount on line 3 to find the credit in the table that begins on page 52. Enter that amount here.

b. Then, use the amount on line 4 to find the credit in the table. Enter that amount here.

c. Compare the amounts on lines 6a and 6b above. Enter the smaller of the two amounts here. Also enter this amount on Form 1040, line 58.

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line 53. See the line 53 instructions for more details. You may be able to get AEIC payments in 1990 by filing Form W-5 with your employer.

If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits on Page 16.** For more details about the credit, get Pub. 596, Earned Income Credit.

Earned Income Credit

• Wages, salaries, and tips
• Earnings from self-employment—this is the amount you report on Form 1040, line 58, line 3c, or Section B, line 3c.
• Any other income (money, goods, or services) you get from your employer for services you performed even if it is not taxable (such as housing allowance or rental value of a parsonage for clergy members) and meals and lodging for employees.

Earned income does not include items such as interest, dividends, social security and railroad retirement benefits, welfare benefits, nondisability pensions, veterans' benefits, unemployment compensation (insurance), alimony, or income exempt from self-employment tax as a result of the filing and approval of Form 4029 (relating to income of a nonresident alien). Earned income also does not include taxable scholarships or fellowships not reported on Form W-2.

If you qualify for the credit, use the worksheet on page 19 to figure it. Otherwise, write "No" on line 58 and go on to line 59.

Note: The earned income credit must be reduced by the alternative minimum tax (Form 1040, line 49). If you owe this tax, subtract it from the amount on line 5 or line 6 of the worksheet below, whichever is less, and enter the result on line 58 (not less than zero) on Form 1040, line 58.

Line 59

Amount Paid With Form 4868 (Extension of Time To File)

If you filed Form 4868 to get an automatic extension of time to file your return, enter the amount you paid with that form. Also include any amounts paid with Form 2688 or Form 2350.

Line 60

Excess Social Security Tax and RRTA Tax Withheld—More Than One Employer

If you had more than one employer for 1989 and your total wages were over \$48,000, your employers may have withheld too much social security tax. If so, you can take a credit for the excess amount on line 60. Use the worksheet on page 21 to figure any excess social security taxes.

If any one employer withheld more than \$3,600 of social security tax, you must ask your employer to refund the excess to you. You cannot claim it on your return.

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tax, and fraud. Criminal penalties may be imposed for willful failure to file a return and for making a false statement. Get details on some of these penalties. Pub. 17, Your Federal Income Tax.

Do Both the Name and Social Security Number on Your Tax Forms Agree With Your Social Security Card?

If not, your return may be delayed or you may not receive credit for your 1989 Form 1099, or other tax document shows an incorrect social security number or name, notify your employer or the form-issuing agent. If the name or number on your social security card is incorrect, contact your Social Security Administration office. The telephone number is listed in the phone book under "Social Security Administration."

Gift To Reduce the Public Debt

You may make a gift to reduce the public debt. If you wish to do so, enclose a separate check with your income tax return. The check must be payable to the U.S. Treasury, and it must be made out to the "Public Debt." It is payable to the U.S. Treasury on your 1990 tax return if you itemize your deductions. Please do not add it to any tax you may owe. If you owe tax, include a separate check for that amount payable to "Internal Revenue Service."

Address Change

If you move, you should always notify the IRS Service Center where you filed your return. If you move after you file your return and you are expecting a refund, also notify the post office serving your old address. This will help to forward your check to your new address.

Mailing Your Return

If you placed an envelope with your forms booklet, please use it. If you didn't receive an envelope, or you moved during the year, see **Where To File** on page 5. Envelopes with insufficient postage will be returned by the post office.

Corresponding With IRS

Be sure to include your social security number in any correspondence with IRS.

How Long Should Records Be Kept?

Keep records of income, deductions, and any worksheets used to figure them, until the statute of limitations runs out for that return. Usually this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also keep copies of your filed tax returns as part of your records. You should keep property records (including those on your own home) as long as they are needed to figure the basis of the original or replacement property. For more details, get Pub. 552.

Requesting a Copy of Your Tax Return

If you need a copy of your tax return, use Form 4506, Request for Copy of Tax Form. The charge for a copy of a return is \$4.25. If you need tax account information, contact your local IRS office. If you want a printed copy of your account, it will be mailed to you free of charge.

3. Did you attach your W-2 form(s) and any other forms that you assembled all items and schedules in the proper order? See Step 6 on page 6.

4. Did you add and subtract correctly, especially when figuring your refund or amount you owe?

5. Did you use the correct filing status and taxable income amount to find your tax in the Tax Table?

6. If a child lived with you and your earned income was under \$19,340, did you see if you can take the earned income credit on line 58? See page 20.

7. Did you write your social security number, daytime phone number, and 1989 Form 1040 on your check or money order?

8. Did you sign and date your tax form?

General Information

Penalties and Interest

Interest. We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We will also charge you interest on penalties imposed on late filing, late payment, and substantial understatement of tax. Interest is charged on the penalty from the due date of the return (including extensions).

Late Filing of Return. You can avoid penalties for late filing by sending in your return by the due date. If you file late, the penalty is 5% of the amount due for each month or part of a month your return is late, unless you have a reasonable explanation. If you have a reasonable explanation, the penalty will not be more than 25% of the amount due. If your return is more than 60 days late, the minimum penalty will be \$100 or the amount of any tax you owe, whichever is smaller.

Late Payment of Tax. If you pay your taxes late, the penalty is usually 1/2 of 1% of the unpaid amount for each month or part of a month the tax is not paid. The penalty cannot be more than 25% of the unpaid tax. It also applies to any additional tax shown on a bill. This penalty is in addition to interest charges on late payments.

Note: If you include interest or either of these penalties with your payment, identify and enter these amounts in the bottom margin of Form 1040, page 2. Do not include the interest or penalty amounts in **Amount You Owe** on line 67.

Penalty for Frivolous Return. In addition to any other penalties, the law imposes a penalty of \$500 on a frivolous return. A frivolous return is one that does not contain information needed to figure the correct tax, because you take a frivolous position or desire to delay or interfere with the tax laws. This includes any altering or striking out of the preprinted language above the space where you sign.

Other Penalties. There are also other penalties that can be imposed for negligence, substantial understatement of

yourself on Form 2210 (or 2210F), enter the penalty amount on Form 1040, line 68. Also, enter the amount you owe on line 68. Subtract the total on line 67. If you are due a refund, subtract the penalty amount from the overpayment you show on line 64.

If you used the annualized income installment method to figure your required payments, write "AI" on the dotted line next to line 68. If you are claiming a waiver, write "Waiver" on the dotted line next to line 68.

If you leave line 68 blank, IRS will figure the penalty and send you a bill. We will not charge you interest on the penalty until 110 days after the due date.

What To Attach. Generally, you are not required to attach Form 2210 (or 2210F) to your return, even if you owe the penalty. But, you MUST complete and attach the form if you claim a waiver or use the annualized income installment method.

Should You Make Estimated Tax Payments for 1990?

In general, you do not have to make estimated tax payments if you expect that your 1990 Form 1040 will show a tax refund, or a tax balance due IRS of less than \$500. If your total estimated tax (including any alternative minimum tax and any other federal income tax) is \$500 or more, please get Form 1040-ES. It contains a worksheet that you can use to see if you have to make estimated tax payments.

Sign Your Return

Form 1040 is not considered a valid return unless you sign it. The signature must be yours. If you are married, you must both sign it. If it is a joint return, be sure to sign it as a joint return. Be sure to sign your return and show your occupation in the space provided. If you have someone prepare your return for you, you are still responsible for the correctness of the return. If you are filing a joint return with your deceased spouse, see **Death of Taxpayer** on page 23.

Child's Return. If your child cannot sign his or her return, the signature must be in the space provided and read "By _____ (signature), parent for minor child."

Paid Preparers Must Sign Your Return. Generally, anyone you pay to prepare your return must sign it. A preparer who signs your return must sign it by hand in the space provided (signature stamps or labels cannot be used), and give you a copy of the return for your records. Someone who charges you should not sign your return.

2. The total of lines 56, 57, 60, and any other lines that show a refund or credit for 1989 must be at least as much as your 1988 tax liability. AND your 1988 tax return was for a tax year of 12 full months.

Your estimated tax payments for 1989 must have been made in 4 equal and timely installments.

Note: For 1989, the supplemental Medicare premium on line 54 is not treated as a tax for purposes of the penalty.

Under certain conditions the penalty may be waived. If you do not meet either of the conditions above, you may still qualify for a waiver. If you cannot get a waiver, you must pay the penalty and you choose to figure it.

Avoid Common Mistakes

This checklist is to help you make sure your form is filled out correctly. Errors may delay your refund.

1. Are your name and address correct on the label? If not, did you correct the label?

2. If you took the standard deduction, did you make sure you had the correct 1988 correct chart (or worksheet) on page 17?

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Line 66 Applied to 1990 Estimated Tax

Subtract line 65 from line 64. This is the amount that will be applied to your estimated tax for 1990. Enter this amount on line 66.

We will apply amounts to your account unless you request us to apply it to your spouse's account. The request should include your spouse's social security number.

Line 67 Amount You Owe

(If line 55 is larger than line 63)

Subtract line 63 from line 55 and enter the result. This is the amount you owe.

Attach your check or money order for the full amount when you file. If line 67 is under \$1, you do not have to pay. Do not include any estimated tax payment in your check or money order. Mail any estimated tax payment in a separate envelope from the Form 1040.

Income Tax Withholding for 1990. If you have had income tax withheld from your 1989 Form W-4, Employee's Withholding Allowance Certificate, with your employer, you may have to make estimated tax payments for 1990. See **Should You Make Estimated Tax Payments for 1990?** on page 22.

For more details, get Pub. 505, Tax Withholding and Estimated Tax.

Line 68 Penalty for Underpayment of Estimated Tax

If line 67 is \$500 or more and more than 10% of the tax shown on your return, or you underpaid your 1989 estimated tax liability for any payment period, you may owe a penalty. Get Form 2210 (or 2210F) to figure the penalty and to figure the amount. If you want, IRS will figure the penalty for you and send you a bill.

How To Avoid the Penalty. You will not owe the penalty or have to complete Form 2210 (or 2210F) if either of the following applies:

1. You had no tax liability for 1988, you were a U.S. citizen or resident for all of 1988, AND your 1988 tax return was for a tax year of 12 full months, or

2. The total of lines 56, 57, 60, and any other lines that show a refund or credit for 1989 must be at least as much as your 1988 tax liability. AND your 1988 tax return was for a tax year of 12 full months.

Your estimated tax payments for 1989 must have been made in 4 equal and timely installments.

Note: For 1989, the supplemental Medicare premium on line 54 is not treated as a tax for purposes of the penalty.

Under certain conditions the penalty may be waived. If you do not meet either of the conditions above, you may still qualify for a waiver. If you cannot get a waiver, you must pay the penalty and you choose to figure it.

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Line 69 Total Payments

Add lines 56 through 62 and enter the total on line 69. Also include on this line any credit for overpaid windfall profit tax (OWPT) from Form 6249. Write the amount and "OWPT" on the dotted line next to line 69. Be sure to attach Forms 6249 and 6248.

Refund or Amount You Owe

Line 64 Amount Overpaid

(If line 63 is larger than line 55)

Subtract line 55 from line 63. You can choose to have all or part of this amount credited to your 1990 Form 1040. The remainder, if any, can be applied to your estimated tax for 1990 (line 66). If line 64 is under \$1, we will send a refund only on written request.

Income Tax Withholding for 1990. If the amount you overpaid is large, get a copy of Form W-4, Employee's Withholding Allowance Certificate, from your employer to see if you are entitled to additional allowances. If you are, file a new Form W-4. If you are not, you may have to make estimated tax payments for 1990. See **Should You Make Estimated Tax Payments for 1990?** on page 22.

If you go back to work after a period of unemployment, you may reduce the amount of income tax withheld if your employer agrees to use the part-year method of withholding. There are also other methods that could reduce your withholding.

For more details, see your employer or get Pub. 505, Tax Withholding and Estimated Tax.

Injured Spouse Claim. If you file a joint return and your spouse has not paid certain obligations (such as child support, Federal tax debts, or student loans), all or part of the overpayment shown on line 64 may be used to pay the past due amount. But, your part of the overpayment may be refunded to you if ALL 3 of the following apply:

• You are not obligated to pay the past due amount

• You are not reported to pay the past due amount as wages, taxable interest, etc.) on the joint return.

• You made and reported payments such as Federal income tax withheld from your wages or estimated tax payments on the joint return.

If ALL 3 of the above conditions apply and you want your part of the overpayment returned to you, complete Form 8379, Injured Spouse Allocation, and attach it to Form 1040 when you file your return. Write "Injured Spouse" in the upper left corner of Form 1040.

Note: If you are filing Form 8379 to receive your part of a joint overpayment for a return you have already filed, you may file Form 8379 with your 1990 Form 1040, and attach Form 8379 to it.

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Excess Railroad Retirement (RRTA) Taxes Withheld. For 1989 no more than \$5,354.10 in RRTA tax should have been withheld from your pay. If any one railroad employer withheld more than that amount, excess to you. You cannot claim it on your return.

Do not use the worksheet below if you had any RRTA tax withheld from your pay. Instead, get Pub. 505, Tax Withholding and Estimated Tax, to figure the amount of any excess RRTA or social security taxes withheld if either of the following applies to you:

• You had more than one railroad employer and you had more than \$5,354.10 in RRTA tax withheld from your pay.

• You had both RRTA tax and social security tax withheld from your wages in 1989 and the total withheld was more than \$3,604.80.

Caution: If you were a government employee who paid only the 1.45% Medicare (hospital insurance benefits) tax on your government wages, do not include on line 1 of the worksheet below the Medicare tax withheld from your wages. The 1.45% Medicare tax is a credit for excess Medicare tax paid.

If you are filing a joint return, you must figure excess social security tax withholding separately for each spouse. Do NOT combine amounts of both husband and wife.

Worksheet (Keep for your records)

1. Add all social security tax withheld (but not more than \$3,604.80 for each employer). Enter the total here.

2. Enter any uncollected social security tax from Form 1040, line 53.

3. Add lines 1 and 2.

4. Social security tax limit, -3,604.80.

5. Subtract line 4 from line 3. Enter this amount on line 60.

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Line 61 Credit for Federal Tax on Fuels

If you can take a credit for tax on gasoline, diesel fuel, and other fuels used in your business, or for certain diesel-powered cars, vans, and light trucks, please attach Form 4136. Enter the credit on line 61.

Line 62 Regulated Investment Company Credit

Enter on this line the total amount of the credit for federal income tax on the Shareholder of Undistributed Long-Term Capital Gains. Be sure to attach Copy B of Form 2439. Also include on line 62 any excess Medicare Tax Credit.

Excess Medicare Tax Credit. If you were a Federal, state, or local government employee whose wages in 1989 were subject only to the 1.45% Medicare (hospital insurance benefits) tax, and you had more than \$48,000.00 in 1989 wages that were not subject to the Medicare tax, you may take a credit against your income tax. Use Form 4469 to figure the credit.

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Substitute Tax Forms

You may not use your own version of a tax form unless it meets the requirements contained in Pub. 1167 for acceptable privately designed forms. Substitute tax forms designed by you must follow the Forms Distribution Center for your state. See the next to the last page of this instruction booklet for the address.

Amended Return

If you find changes in your income, deductions, or credits after you mail your return, file Form 1040, Amended U.S. Individual Income Tax Return, to change the return you already filed. Generally, Form 1040 must be filed within 3 years after the date the original return was filed, or within 2 years after the date the tax was paid, whichever is later. The amended return is considered filed on the date you mail it. If your return is changed for any reason (for example, as a result of an audit of your income by IRS), it may affect your state income tax return. Contact your state tax agency for more information.

Death of Taxpayer

If a taxpayer died before filing a return for 1989, the taxpayer's spouse or personal representative may have to file and sign a return for the person who died. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased person's property.

If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

The person who files the return should write "deceased" after the deceased's name and address placed at the top of the return. Also write "DECEASED" across the top of the tax return.

If your spouse died in 1989 and you did not remarry in 1989, you can file a joint return. You can also file a joint return if your spouse died in 1990 before filing a 1989 return. A joint return should show your spouse's 1989 income before death and your income for all of 1989. Also write "deceased" after the deceased's name where you sign the return. If someone else is the personal representative, he or she must also sign.

Claiming a Refund for a Deceased Person. If you are a surviving spouse filing a joint return with the deceased, file only the tax return to claim the refund. If you are a court-appointed representative, file the return AND attach a copy of the certificate of appointment. All other filers requesting a refund of tax due should file the return and attach Form 1310.

For more details, see Tele-Tax

Information in the index (topic no. 158) or get Pub. 559, Tax Information for Survivors, Executors, and Administrators.

Instructions for Schedule A

Itemized Deductions

Changes You Should Note
• Beginning in 1989, if you use your home telephone for business purposes, you may

not deduct any of the basic local service charge (including taxes) for the first telephone line into your home.

• For taxable bonds acquired after 1981, the taxable premium must be included in your taxable income as interest on Schedule A. Instead, reduce the interest income on the bond by the amount of the premium. For details, see the instructions for Schedule B.

For taxable bonds acquired after October 22, 1986, and before January 1, 1988, you may choose to either deduct any amortizable bond premium as interest on Schedule A, line 11, or reduce your interest income on the bond as explained above.

Purpose

Some taxpayers should itemize their deductions because they will save money. See **Standard Deduction OR Itemized Deductions** on page 16.

If you itemize, you can deduct part of your medical and dental expenses and unreimbursed employee business expenses, interest, contributions, and certain miscellaneous expenses. You may also deduct certain moving expenses and casualty and theft losses.

Lines 1a through 4

Medical and Dental Expenses

Before you can figure your total deduction for medical and dental expenses, you must complete Form 1040 through line 32.

You may deduct only that part of your medical and dental expenses that is more than 7.5% of the amount on Form 1040, line 32.

Line 1a. Enter the amount you paid for doctors, dentists, nurses, and hospitals, prescription medicine and drugs, or for insulin, after you reduce these expenses by any payments received from insurance or other sources. Also include the total amount you paid for insurance premiums for medical and dental care.

Caution: If you were self-employed, do not include the part of any health insurance you deducted on Form 1040, line 26.

Line 1b. Enter the amounts spent for transportation and lodging, and other expenses such as hearing aids, dentures, eyeglasses, and contact lenses, after you reduce these expenses by any payments received from insurance or other sources. List the medical expense and the amount of the expense. Enter one total in the total amount column on line 1b.

Note: If you received a reimbursement in 1989 of prior year medical or dental expenses, do not reduce your 1989 expenses by this amount. You must include the reimbursement in income on Form 1040, line 22, if you deducted the expense in a prior year. Also include the deduction reduced your tax. Pub. 502 tells you how to figure the amount to include in income.

When you figure your deduction, you may include medical and dental bills you paid for:

- Yourself.
- Your spouse.
- All dependents you claim on your return.
- Your child whom you do not claim as a dependent because of the rules explained on page 8 for Children of Divorced or Separated Parents.
- A dependent that you could have claimed as a dependent on your return if that person had earned less than \$2,000 of gross income or had not filed a joint return with your spouse.

Example. You provided more than half of your mother's support but may not claim her as a dependent because she received \$2,000 of wages during 1989. If part of your support was the payment of her medical bills, you may include that part in your medical expenses.

Payments of Medical and Dental Expenses You MAY Deduct

To the extent you were not reimbursed, you may deduct what you paid for:

- Prescription medicines and drugs, or insulin.
- Medical doctors, dentists, eye doctors, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and hospital services.
- Nursing help. If you pay someone to do both nursing and housework, you may deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, and lab fees.
- Medical treatment at a center for drug addicts or alcoholics.

• Medical aids such as hearing aids, batteries, braces, crutches, wheelchairs, guide dogs and the cost of maintaining them.

• Lodging expenses (but not meals) paid while away from home to receive medical care in a hospital or a medical care facility that is related to a hospital. Do not include more than \$50 a night for each eligible person.

• Ambulance service and other travel costs to get medical care. If you used your own car, you may deduct the cost of the gas and tolls to and from the place you received the care, or you may claim 9 cents a mile. Add parking and tolls to the amount you claim under either method.

Examples of Medical and Dental Payments You MAY NOT Deduct

• The basic cost of Medicare insurance (Medicare A).

Note: If you were 65 or older but not entitled to social security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.

- Life insurance or income protection policies.
- The 1.45% Medicare (hospital insurance benefits) tax withheld from your pay as part of the social security tax or the Medicare tax as part of social security self-employment tax.

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Lines 9a through 13

Interest You Paid

Include interest you paid on nonbusiness items only. Whether your interest expense is treated as investment interest depends on how and when you used the loan proceeds. Get Pub. 545, Interest Expense, for details. In general, if you paid interest in 1989 that was not deductible in 1988, you may deduct only the amount that applies for 1989.

Note: If you have a loan agreement that in any way refers to the "Rule of 78's," see Pub. 545.

Interest You MAY Deduct

Lines 9a and 9b.—Home Mortgage Interest. In most cases, you will be able to deduct all of your home mortgage interest. The following rules apply to any loans secured by your main home, including first and second mortgages, home equity loans, and refinanced mortgages. Whether your home mortgage interest is deductible depends on the date you took out the loan and whether you used the mortgage for your use of its proceeds.

If ALL of your mortgages fit into one or more of categories a, b, and c below, you can deduct all of the interest on those mortgages and report it on Schedule A, line 9a or 9b, whichever applies. If one or more of your mortgages does not fit into any of the categories below, get Pub. 936, Limits on Home Mortgage Interest Deduction, to figure the amount of interest you can deduct.

a. Mortgages you took out on your main home ON or BEFORE October 13, 1987. These mortgages also include line-of-credit mortgages you had on October 13, 1987, and mortgages you had on October 13, 1987, that you refinanced after that date. But see **Special Rules** below if you refinanced or borrowed additional amounts on a Form 1098, showing the total interest received during 1989. Any points you paid will not be shown.

b. Mortgages you took out on your main home AFTER October 13, 1987, to buy, build, or improve your home, but only if these mortgages plus any mortgages in a above totaled \$1 million or less throughout 1989. The limit is \$500,000 or less if married filing separately. An example is a home equity loan you used to pay off credit card bills, to buy a car, or to pay tuition costs.

c. Mortgages you took out AFTER October 13, 1987, on your main home, OTHER THAN to buy, build, or improve your home. Your mortgage interest expense for 1989 is limited to \$100,000 or less if married filing separately. An example is a home equity loan you used to pay off credit card bills, to buy a car, or to pay tuition costs.

Special Rules

Refinanced Mortgages. If you had a mortgage on your home on October 13, 1987, and refinanced it after that date for no more than the balance of the old mortgage, all of the new mortgage is treated as a mortgage described in a above. But, if you refinanced it for more than the balance of the old mortgage, the new mortgage is treated as a mortgage described in b above. The amount you paid for someone else, and license fees (marriage, driver's, dog, etc.)

Line 10.—Points. Generally, points (including loan origination fees) charged

1098 from the recipient, report your deductible mortgage interest on line 9b.

If you and at least one other person (return) were liable for and paid interest on the mortgage, and the other person received the Form 1098, attach a statement to your return showing the name of that person. Next to line 9b, write "See attached."

Line 9b. If the recipient was not a financial institution or you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 9b.

If you and at least one other person (return) were liable for and paid interest on the mortgage, and the other person received the Form 1098, attach a statement to your return showing the name of that person. Next to line 9b, write "See attached."

Line 10.—Points. Generally, points (including loan origination fees) charged

mortgage that is more than the balance of the old mortgage is a mortgage described in b above and is not deductible.

Line 9a.—Credit Mortgages. If you had a line-of-credit mortgage on your home on October 13, 1987, and you borrowed additional amounts on this line of credit after that date, the additional amounts borrowed are treated as a mortgage taken out after October 13, 1987, and are subject to the rules under b or c (or b and c) if a mixed-use mortgage—see below.

Mixed-Use Mortgages. If you took out a line-of-credit mortgage for more than what (including refinancing for more than what you owed or borrowed) additional amounts on a line-of-credit mortgage you had on October 13, 1987, for purposes described in both b and c above, you have a mixed-use mortgage. The mortgage proceeds used to buy, build, or improve the home fit into category b and the rest of the proceeds fit category c.

Note. Category c mortgages include the four types of mortgages described in the four categories of the home. See Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

What Is a Home.—A home may be a main home and a second home, the dollar limits explained in b and c above apply to mortgages on both homes. See Pub. 936 for more details.

Line 9a. Enter the amount deductible on line 9a. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9b. Enter the amount deductible on line 9b. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9c. Enter the amount deductible on line 9c. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9d. Enter the amount deductible on line 9d. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9e. Enter the amount deductible on line 9e. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9f. Enter the amount deductible on line 9f. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9g. Enter the amount deductible on line 9g. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9h. Enter the amount deductible on line 9h. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9i. Enter the amount deductible on line 9i. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9j. Enter the amount deductible on line 9j. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9k. Enter the amount deductible on line 9k. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9l. Enter the amount deductible on line 9l. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9m. Enter the amount deductible on line 9m. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9n. Enter the amount deductible on line 9n. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9o. Enter the amount deductible on line 9o. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9p. Enter the amount deductible on line 9p. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9q. Enter the amount deductible on line 9q. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9r. Enter the amount deductible on line 9r. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9s. Enter the amount deductible on line 9s. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9t. Enter the amount deductible on line 9t. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9u. Enter the amount deductible on line 9u. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9v. Enter the amount deductible on line 9v. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9w. Enter the amount deductible on line 9w. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9x. Enter the amount deductible on line 9x. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

Line 9y. Enter the amount deductible on line 9y. For more details, see Pub. 936, Limits on Home Mortgage Interest Deduction, for more details.

only for the use of money are deductible over the life of your mortgage. **Exception.** Points may be deducted in the year paid if the loan was used to buy or improve your main home, the loan was secured by that home, the points were paid with funds other than those obtained from the lender, it is customary to charge points in the area, and the points were paid for the purpose of obtaining a lower interest rate on the loan. (See Reg. 1.163-10.)

Line 11—Investment interest. Money you borrowed that is allocable to property held for investment. It does not include any interest allocable to a passive activity.

Complete and attach Form 4952, *Investment Interest Expense Deduction*, to figure your deduction.

Exception. You do not have to file Form 4952 if ALL of the following apply:

- Your only investment income was from interest or dividends.
- You have no other deductible expenses connected with the production of the interest or dividends.
- Your investment interest expense is not more than your investment income.
- You have no carryovers of investment interest expense from 1988, and
- You have no passive activity losses.

For more details, get Pub. 550, *Investment Income and Expenses*.

Lines 12a and 12b—Personal interest. For 1989, you can deduct only 20% of personal interest (such as interest paid on car loans and credit cards). Include on line 12a interest you paid on:

- Bank and other general purpose credit cards. Include the finance charge paid as interest if no part of it was for service charges, membership fees, loan fees, credit insurance, etc.
- Financing charges on accounts include finance charges based on your monthly unpaid balances.
- Your personal note for money you borrowed from a bank, a credit union, or another person.
- Loans on life insurance if you paid the interest in cash and report on the cash basis.

• Installment loans on personal property, such as cars (including a business car used in your capacity as an employee) and appliances.

• Taxes you paid late. Show only the interest, do not include any amount that is considered a penalty. If the tax is considered a penalty, see **Line 20**.

Interest You MAY Deduct. Do not include interest paid on your debts (except payments made to a government agency). Also do not include the interest you paid for:

- **Interest You MAY NOT Deduct.** Do not include interest paid on your debts (except payments made to a government agency). Also do not include the interest you paid for:
- Certain loans against your interest in a 401(k) plan or a tax-sheltered annuity plan.

that were made, renewed, renegotiated, modified, or extended after 1986. (Get Pub. 575, *Pension and Annuity Income*, for details.)

• **Tax-exempt income.** This includes interest on money you borrowed to buy or carry wholly tax-exempt securities. This also includes interest paid to purchase or carry obligations or shares, the interest on any investment income received from the investment is tax exempt.

• **A loan on life insurance.** If the interest is added to the loan and you report on the cash basis.

• **A debt to buy a single-premium life insurance or endowment contract.** (Use Schedule C, or Form 1040 to deduct business interest expenses.)

Get Pub. 543 for more details.

Lines 14 through 17

Gifts to Charity. You may deduct contributions or gifts you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You may also deduct what you gave to organizations that work to prevent cruelty to children or animals.

Examples of these organizations are:

- Churches, temples, synagogues.
- Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys and Girls Clubs of America, etc.

• **Fraternity orders.** If the gifts will be used for the purposes listed above:

- Veterans' and certain fraternal groups.
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, arthritis, multiple sclerosis, muscular dystrophy, palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.
- Federal, state, and local governments if the gifts are solely for public purposes.

Caution: If you contributed to a charitable organization and also received a benefit from it, you may deduct only the amount that is more than the value of the benefit received. (See Reg. 1.170-1.)

Pub. 526, Charitable Contributions. If you do not know whether you may deduct what you gave to an organization, check with that organization or with IRS.

Contributions You MAY Deduct. Contributions may be in cash (keep records showing the name of the organization and the date and amount given), property, or out-of-pocket expenses of organizations described above. If you gave to a volunteer worker, you may take 12 cents a mile for the actual cost of travel and 12 cents a mile for the actual cost of lodging and meals (but don't deduct more than you actually paid to you.)

Limit on the amount you may deduct. Get Pub. 526 to figure the amount of your deduction if any of the following applies:

• Your cash contributions or contributions of ordinary income property are more than 30% of Form 1040, line 32.

• Your gifts of capital gain property to certain organizations are more than 20% of Form 1040, line 32, or

• You gave gifts of property that increased in value or gave gifts of the use of property. You MAY NOT deduct As Contributions Travel expenses (including meals and lodging) while away from home unless there was no significant element of personal pleasure, recreation, or vacation in the travel.

• Political contributions.

• Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.

• Value of any benefit, such as food, entertainment, or merchandise, that you received in connection with a contribution to a charitable organization.

Example. You paid \$100 to a charitable organization to attend a fund-raising dinner. To figure the amount of your deductible contribution, you must subtract the value of the dinner from the total amount you paid. If the value of the dinner was \$40, your deductible contribution is \$60.

• Cost of raffle, bingo, or lottery tickets.

• Cost of tuition.

• Value of your time or services.

• Value of blood given to a blood bank.

• The transfer of a future interest in tangible personal property generally, until the future interest has been transferred.

• Gifts to:

- a. Individuals.
- b. Foreign organizations.
- c. Groups whose purpose is to lobby for changes in the laws.
- d. Civic leagues, social and sports clubs, labor unions, and chambers of commerce.

Recordkeeping. If you gave property, you should keep a receipt or written statement from the organization you gave the property to. It should include the organization's name and address, the date and location of the gift, and a description of the property. For each gift of property, you should also keep reliable written records that include:

- a. How you figured the property's value at the time you gave it. (If the value was determined by an appraisal, you should also keep a signed copy of the appraisal.)
- b. The cost or other basis of the property if you must reduce it by any ordinary loss incurred if the property had been sold at its fair market value.

• How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property.

Note: If your total deduction for gifts of property is over \$500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(e), your records should contain additional information. Get Pub. 526 for details.

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Line 14. Enter the total contributions you made on line 14. Check (include) out-of-pocket expenses of \$250 or more to any one organization, show to whom and how much you gave in the space provided.

Line 15. Enter your contributions of property. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay for the item if the seller has no other alternative but to sell. If the item has conditions of the sale. If the amount of your deduction is more than \$500, noncash complete and attach Form 8283, *Noncash Charitable Contributions*. If your total deduction is over \$5,000, you may also have to get appraisals of the values of the donated property. For this purpose, the appraisals must be made by a qualified appraiser BEFORE applying any income limitations that could result in a carryover of contributions. See Form 8283 and its instructions for details.

Line 16. Enter on line 16 any carryover of contributions that you were not able to deduct in an earlier year because they exceeded your adjusted gross income limit. See Pub. 526 for details on how to figure a carryover.

Line 18

Casualty and Theft Losses.

Use line 18 to report casualty or theft losses of property that is not trade or business property. Complete and attach Form 4684, *Casualty and Theft Losses*. To figure your loss, enter on line 18 of Schedule A the amount of loss from Form 4684.

Losses You MAY Deduct.

You may be able to deduct all or part of each loss caused by theft, vandalism, fire, storm, and car, boat, and other accidents or losses. If you had a financial institution but lost because of the insolvency or bankruptcy of the institution, you may deduct nonbusiness casualty or theft losses only to the extent that:

- a. the amount of EACH separate casualty or theft loss is more than \$100, and
- b. the total amount of ALL losses during the year is more than 10% of your adjusted gross income on Form 1040, line 32.

Special rules apply if you had both gains and losses from nonbusiness casualties or thefts. Get Form 4684 for details.

Losses You MAY NOT Deduct.

- Money or property misplaced or lost.
- Breakage of china, glassware, furniture, and similar items under normal conditions.
- Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.
- Any conditions attached to the gift.

Note: If your total deduction for gifts of property is over \$500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(e), your records should contain additional information. Get Pub. 526 for details.

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Line 19 Moving Expenses. Employees and self-employed persons (including partners) can deduct certain moving expenses.

• You can take this deduction if you moved in connection with your job or business and your new workplace is at least 35 miles farther from your old home than your old workplace was from your old workplace. If you moved to a new workplace that is at least 35 miles from your old home, you must meet these requirements. See **Tele-Tax Information** in the index (topic no. 304) or Pub. 521, *Moving Expenses*. Complete and attach Form 3903 to figure the amount of moving expenses to enter on line 19. If you began a new job at a new workplace outside the United States, the expenses are deductible on Form 3903, *Foreign Moving Expense*.

Line 20 Through 25 Miscellaneous Deductions. Most miscellaneous deductions cannot be deducted in full. You must subtract 2% of your adjusted gross income from the total you figure the 2% limit on line 23.

Generally, the 2% limit applies to job expenses you paid for which you were not reimbursed. The 2% limit does not apply to certain expenses you paid to produce or collect taxable income (line 21). See the instructions for lines 20 and 21 for examples of expenses to claim on these lines.

The 2% limit does not apply to certain other miscellaneous expenses that you may deduct. These expenses can be deducted in the order listed on line 20. The 2% limit does not apply to the following deductions:

- Deductible gambling losses (to the extent of winnings) and certain job expenses of handicapped employees. See Pub. 529, *Miscellaneous Deductions*, for more information.

Expenses Subject to the 2% Limit (Lines 20 and 21)

Line 20. Use this line to report job expenses you paid for which you were not reimbursed. In some cases you MUST first fill out Form 2106, *Employee Business Expenses*. Fill out Form 2106 if you:

1. Took any travel, transportation, meal, or entertainment expenses for your job. OR
2. Your employer paid you for any of your job expenses reportable on line 20.

If 1 or 2 above applies, enter the amount from line 13 of Form 2106 on line 20 of Schedule A.

If you don't have to fill out Form 2106, just list the type and amount of your expenses on the dotted line for line 20. If you have more than one type of expense, showing the type and amount of the expense. Enter one total in the amount space for line 20.

Examples of expenses to include on line 20 are:

- Travel, transportation, meal, or entertainment expense. **Note:** If you have any of these expenses, you must use Form 2106 for all or your job expenses.
- Union dues.
- Safety equipment, small tools, and supplies you needed for your job.

- Uniforms your employer said you must wear, and which you may not usually wear away from work.
- Protective clothing, required in your work, such as hard hats and safety shoes and glasses.
- Physical examinations your employer said you must have.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.
- Business use of part of your home but only if you use that part exclusively and on a regular basis in your work and for the convenience of your employer. For details, including limits that apply, see **Tele-Tax Information** in the index (topic no. 309) or Pub. 587, *Business Use of Your Home*.

• Education expenses you paid that were required by your employer, or by law or contract, to keep or advance your position in general, you may also include the cost of keeping or improving skills you must have in your job. For more details, see **Tele-Tax Information** in the index (topic no. 313) or Pub. 508, *Educational Expenses*. Some education expenses are not deductible. See **Expenses You MAY NOT Deduct**.

• Deduction for repayment of amounts under a claim of right if \$5,000 or less.

Line 21. Use this line for amounts you paid to produce or collect taxable income, and for tax preparation fees. List the type and amount of each expense on the dotted lines for line 21. If you need more space, attach a statement showing the type and amount of each expense. Enter one total in the amount space for line 21. Examples of these expenses are:

- Tax return preparation fee.
- Safe deposit box rental.
- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (e.g., trust account) fees.
- Your share of the investment expenses of a regulated investment company.
- Certain losses on nonfederally insured deposits in an insolvent or bankrupt financial institution. For more information (including limits on the amount you can deduct), see Pub. 529.

Expenses NOT Subject to the 2% Limit (Line 25)

Use this line to report miscellaneous deductions that are NOT subject to the 2% AGI limit. Only the expenses listed below are deductible on line 25.

- Gambling losses to the extent of gambling winnings. Report gambling winnings on Form 1040, line 22.
- Federal estate tax on income in respect of a decedent.
- Amortizable bond premium on bonds acquired before October 23, 1986.
- Deduction for repayment of amounts under a claim of right if more than \$3,000. See Pub. 525.
- Unrecovered investment in a pension, handicapped person.

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- Amounts received on the retirement of a debt instrument generally are treated as interest in exchange for the debt.
- Losses from the disposition of wetlands and highly erodible croplands converted to agricultural uses (other than livestock grazing) after March 1, 1986, are reported on Schedule D, but gains are reported on Form 4797.
- For rules on nontaxable exchanges, gifts of property, and inherited property, get Pub 542.

For treatment by shareholders of corporations liquidating, get Pub. 542, Tax Information on Corporations.

- For information on mutual fund distributions, get Pub. 564, Mutual Fund Distributions.

Gain or Loss From Options

Gain or loss from the closing or expiration of an option that is not a section 1256 contract, but that is a capital asset in your hands, is reported on Schedule D. If a purchased option expired, enter the expiration date in column (d), and write "EXPIRATION" in column (b). If an option granted (written) expired, enter the expiration date in column (b), and write "EXPIRATION" in column (d). Fill in the other information appropriate. Get Pub. 550 for further details.

Exchange of Like-Kind Property
Report the exchange of "like-kind" property when you give up an old asset in recognition of a new asset of the same business interest property for property of "like-kind." For exceptions, get Pub. 544.

Identify in column (a) the property you disposed of. Enter the date you acquired it in column (b), and the date you exchanged it in column (c). Write "like-kind exchange" in column (d). Enter the cost or other basis in column (e). Enter zero in columns (f) and (g).

Sale or Exchange (Other Than Involuntary Conversion) of Capital Assets Held for Personal Use
Gain from the sale or exchange of this property is reported on Schedule D, Part I. If a loss from the sale or exchange of this property is not deductible. But if you had a loss from the sale or exchange of real estate held for personal use (other than your main home), you must report the transaction on Schedule D.

For example, you have a loss on the sale of the home you no longer own. Report the loss on line 24, regardless of how long you owned the home. Complete columns (a) through (e). Since the loss is not deductible, enter zero in columns (f) and (g).

Disposition of Partnership Interest
A sale or other disposition of an interest in a partnership may result in ordinary income. Get Pub. 541, Tax Information on Partnerships.

Long-Term Capital Gains From Regulated Investment Companies
Include in income as a long-term capital gain the income shown on Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains, that represents your share of the undistributed capital gains

of a regulated investment company. Enter the tax paid by the company as shown on Form 1099-DIV in column (d). If the amount included in income over the credit. See Pub. 550 for more information.

Capital Gain Distributions

Enter capital gain distributions paid to you during the year as long-term capital gain on line 13, regardless of how long you have held the information.

Sale of Your Home

Use Form 2119, Sale of Your Home, to report a gain or loss from the sale of your main home, whether or not you bought another one. For more information, get Pub. 523, Tax Information on Selling Your Home.

Installment Sales

If you sold property at a gain (other than publicly traded stocks or securities), and you will receive a payment in a tax year after the year of sale, you must report the sale on the installment method unless you elect not to. Use Form 6252, Installment Sale Income. Also use Form 6252 if you received a payment in 1989 for a sale made in an earlier year. If you elect out of the installment method, report the sale as follows on a timely filed return (including extensions):

- (1) Report the full amount of the sale on Schedule D.
- (2) If you received a note or other obligation and are reporting it at less than face value (including all contingent payment obligations), complete Part V. If you received more than one, enter the amounts separately in the spaces in Part V more details.

Section 1256 Contracts and Straddles

Use Form 6781, Gains and Losses From Section 1256 Contracts and Straddles, to report gains and losses from section 1256 contracts and straddles. Get Pub. 550 for more information.

Specific Instructions

Line 1

Reconcile Forms 1099-B for Sales of Stocks, Bonds, etc.
Enter your total sales of stocks, bonds, etc., reported for 1989 to you on Form(s) 1099-B or on any equivalent substitute statement to you on Form 1099-S or on an equivalent substitute statement on line 24 or 9d.

If line 1 differs from the total of lines 2c and 9c, column (d), attach a statement explaining the difference. For example, there would be a difference between line 1 and the total of lines 2c and 9c, column (d), if you received a Form 1099-B for an item that was not a capital asset. If the total of capital reduces the basis of your stock and is not taxed until your basis in the stock is fully recovered. Include any nontaxable amount shown as a return of capital in the total on line 1. Do not report it in either Part I or II. Explain the difference between the entries in Parts I and II and the total on line

1 in a statement (d) that you attach to Schedule D. See Pub. 550 for more information.

Information (d)

Sales Price
Enter in this column either the gross sales price or the net sales price from the sale. If you sold stocks or bonds and you received a Form 1099-B or similar statement from your broker that shows gross sales price, enter that amount in column (d). However, if the (gross sales price) less commissions and option premiums were reported to IRS, enter that net amount in column (d). If the net amount is entered in this column, do not include the commissions and option premiums in column (e).

Caution: Be sure to add all sales price amounts on lines 2a and 9a, column (d), to enter the totals on lines 2c and 9c.

Column (e)

Cost or Other Basis
In general, the cost or other basis is the cost of the property plus purchase commissions, improvements, and minus depreciation, amortization, and depletion. If you inherited the property or got it as a gift in a tax-free exchange, involuntary conversion, or "wash sale," enter the adjusted basis. If you do not use cash cost as the basis, if you do not use cash cost, attach an explanation of your basis.

When selling stock, adjust your basis by subtracting all the nontaxable distributions you received before the sale. Also adjust your basis for any stock splits. Get Pub. 350 for more details. To see how to figure your basis of stock that split during the time you owned it.

The basis of property acquired by gift generally is the basis of the property in the hands of the donor. The basis of the property acquired from a decedent is generally the fair market value at the date of death.

The cost or other basis of an original issue discount (OID) debt instrument is increased by the amount of OID that has been included in gross income for that instrument.

If a charitable contribution deduction is allowed because of a sale of property to a charitable organization, the adjusted basis for determining the charitable deduction is the adjusted basis as the amount realized has to the fair market value.

Increase your cost or other basis by any expense of sale, such as broker's fees, commissions, state and local transfer taxes, and option premiums before making an entry in column (e), unless you reported net sales price in column (d).

Basis of Assets.
For more information, get Pub. 551, Basis of Assets.

Lines 2a and 9a

Enter all sales of stocks, bonds, etc., whether or not you actually received a Form 1099-B. You can use abbreviations to describe property you list as long as your abbreviations are based on the descriptions (1099-B property as shown on Form(s) 1099-B). If you need more space to list statement(s), if you need more space to list

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Transactions. Complete and attach Schedule D-1. (This is a new optional form for 1989 to list additional transactions.) You may use as many Schedules D-1 as you need to list all transactions. Enter the following information on each Schedule D-1: (a) the date of the transaction, (b) the name of the other party, (c) the name of the property, (d) the amount of the transaction, (e) the name of the property, (f) the name of the property, (g) the name of the property, (h) the name of the property, (i) the name of the property, (j) the name of the property, (k) the name of the property, (l) the name of the property, (m) the name of the property, (n) the name of the property, (o) the name of the property, (p) the name of the property, (q) the name of the property, (r) the name of the property, (s) the name of the property, (t) the name of the property, (u) the name of the property, (v) the name of the property, (w) the name of the property, (x) the name of the property, (y) the name of the property, (z) the name of the property.

Lines 2d and 9d

Enter sales and exchanges of other capital assets, including real estate transactions reported to you on Form(s) 1099-S or on an equivalent statement, unless you reported them on Form 2119, 4797, or 6252.

Lines 6 and 15

You may have a capital loss carryover from 1988 to 1989 if the loss on your 1988 Schedule D, line 18, was more than \$3,000 (return), or if line 18 showed any loss and taxable income on your 1988 Form 1040, line 37, was zero.

Do not use Part IV of your 1988 Schedule D to report the loss carryover. Instead, use the law was changed after that form was printed. Instead, use the worksheet below. But, if you already figured your carryover using the worksheet in Pub. 553 (Rev. January 1989), which reflected the law change, enter the amount from lines 8 and 9 of that worksheet on your 1989 Schedule D, lines 6 and 15, respectively.

Worksheet To Compute Capital Loss Carryovers From 1988 to 1989

(Keep for your records)

1. Enter taxable income from your 1988 Form 1040, line 37. If you 1988 Form 1040, line 37, was zero, enter zero.
2. Enter the amount from line 1 on Form 1040, line 36, from the amount on Form 1040, line 35. Enter the result here. To include it in parentheses.

Note. For lines 2 through 17, treat all amounts as positive.

2. Enter the loss from your 1988 Schedule D, line 19.
3. Enter the amount from your 1988 Form 1040, line 36, and 37, zero or less, enter zero.
4. Enter the smaller of line 2 or line 4.

Note. Complete lines 8 through 10 below only if there is a loss on your 1988 Schedule D, line 8 and line 19. Otherwise, stop here.

5. Enter the loss from your 1988 Schedule D, line 8.
6. Enter the loss from your 1988 Schedule D, line 17.
7. Enter the gain from your 1988 Schedule D, line 17.
8. Enter amount from line 5 above.
9. Add lines 7 and 8.
10. Subtract line 9 from line 6. If the result is zero or less, enter zero. This is your short-term capital loss carryover from 1988 to 1989.

Enter this amount on your 1989 Schedule D, line 15.

Note. Complete lines 11 through 17 below only if there is a loss on your 1988 Schedule D, line 17 and line 19. Otherwise, stop here.

11. Enter the loss from your 1988 Schedule D, line 17.
12. Enter the gain from your 1988 Schedule D, line 17.
13. Enter the amount from line 5 above.
14. Enter amount from line 6 above.

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14. Enter amount from line 6 above.

15. Subtract line 14 from line 13. If zero or less, enter zero.

16. Enter the amount from line 15, zero or less, enter zero.

17. Subtract line 16 from line 11. If zero or less, enter zero. This is your long-term capital loss carryover from 1988 to 1989. Enter this amount on your 1989 Schedule D, line 15.

Line 20

If Form 1040, line 37, is zero, subtract the amount on Form 1040, line 36, from the result on Form 1040, line 35. Enter the amount. To show a negative amount (a loss), enclose it in parentheses.

Part VI

This part will enable IRS to compare amounts on Form 1099-S with amounts reported to you on your tax return. For details on reporting your tax return, see Pub. 525, Taxable and Nontaxable Income, get Pub. 525.

Instructions for

Schedule E

Supplemental Income

and Loss

Purpose

Use Schedule E to report income or loss from rents, royalties, partnerships, corporations, estates, trusts, and REMICs. If you attach your own schedule(s) to your 1988 Form 1040, line 37, use these instructions for any of these schedules. Use the same format for Schedule E. Enter separately on Schedule E the total income and the total loss for each part. Enclose loss figures in parentheses.

Filers of Form 1041. Enter your employer identification number in the block for "Your social security number."

Part I

Income or Loss From Rentals

and Royalties

Use Part I to report rental and royalty income and losses. If you have a net interest in rental property, you may report your net interest on Schedule E. See the instructions for lines 4 and 5 to determine when rental and royalty income should be reported on Schedule C instead.

If you have more than three rental or royalty properties, complete and attach as many Schedules E as you need to list them completely. But in line D on one Schedule E, the figures in column D on that Schedule E should be the combined totals of all the schedules.

If you also need to use page 2 of Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

Lines 1 through 3

Line 1.—Show the kind of property you rented out, for example, "brick duplex." Give the street address, city or town, and state. You do not have to give the ZIP code.

Line 2.—Renting Out a Dwelling Unit That Is Also Used for Personal Purposes.

—If you rented out a dwelling unit and also used it as a home during the year, you must report the rental income on line 2, and the expenses for the dwelling unit (unit) means a house, apartment, condominium, mobile home, boat, or like property. Check the "Yes" or "No" box on line 2, whichever applies, to show whether you or your family used the property for personal purposes in 1989.

If the property is not a dwelling unit, check "No."

—If the property is a dwelling unit, check "Yes" if you or your family used the unit for personal use more than the greater of:

1. 14 days, or
 2. 10% of the total days it was rented to others at a fair rental price.
- What is personal use? A day of personal use is any day, or part of a day, that the unit was used by:

- you for personal purposes
- you or other persons for other purposes, if that person is part of the unit (unless equity financing agreement)
- anyone in your family or in the family of someone else who owns part of the unit.

The day is not treated as personal if the unit is rented at a fair rental price to that person as his or her main home.

- anyone under an agreement that lets you use some other unit
- anyone who pays less than a fair rental price for the unit

If you checked "No," you can deduct all your expenses for the rental part, subject to the at-risk and passive activity loss rules explained on page 32.

If you checked "Yes," and rented the unit out for less than 15 days, you may not deduct any rental expenses. But if you itemize deductions on Schedule A, you may deduct interest, taxes, and casualty losses. You do not have to report the rental income.

If you checked "Yes," and rented the unit out for at least 15 days, you may NOT be able to deduct all your rental expenses. You can deduct your mortgage interest, real estate taxes, and casualty losses. You also can deduct your other rental expenses that are not related to your use of the unit as a home, such as advertising expenses and realtor's fees. If any income is left after deducting these expenses, you can then deduct other expenses. But you cannot deduct more than the income that is 1990.

See Pub. 527, Residential Rental Property (Including Rental of Vacation Homes), for more details. Also, get Pub. 545, Interest Expense, to see how much interest you can deduct.

Line 3.—Rental Real Estate Properties with Active Participation.—A rental real estate activity is generally a passive activity subject to the passive activity loss rules on line 24 and the Passive Activity Loss Rules on page 32 for more details. However, a special rule applies if you actively participated (defined on page 31) in rental real estate activities and had losses from them. In general, you may be able to deduct

activity, acquire property used in the

activity, acquire property used in the

Page 31

Page 32

activity. See **keeping out a swimming unit**

You should also receive a copy of the Partner's or Shareholder's Instructions for

Partner's or Shareholder's Instructions for

Schedule K-1. If you did not receive these instructions with your Schedule K-1, you can get a copy at most IRS offices. Your copy of Schedule K-1 and its instructions will tell you where on your return to report your share of the items.

Special rules that limit losses
If you have a current year loss or a prior year unallowed loss on a partnership or an S corporation, see the **At-Risk Rules** beginning on page 31 and the **Passive Activity Loss Rules** on page 32.

Partners and S corporation shareholders should get a separate statement of expenses, deductions, and credits for each activity engaged in by the partnership and S corporation. You are subject to at-risk rules for an activity on Form 6987. To figure the amount of any deductible loss, if the activity is nonpassive, enter the deductible loss, if any, from Form 6987 in Part II, column (i), of Schedule E.

If you have a passive activity loss, you generally need to complete Form 8582 to figure the amount of the allowable loss to enter in Part II, column (g), for that activity. If you are a partner reporting your share of a partnership or an S corporation loss from a rental real estate activity, and you meet **ALL** 3 of the conditions listed in the instructions for line 24, you do not have to complete Form 8582. Instead, enter your allowable loss in Part II, column (g), and do not attach Form 8582 to your return.

If you have a passive activity income, complete Part II, column (h), for that activity.

- If you have nonpassive income or loss, complete Part II, columns (i) through (k), as appropriate.

If you are treating items on your tax return differently from the way the partnership or S corporation reported them on Form 8082, Notice of Inconsistent Treatment or Amended Return.

Limits on Section 179 Deductions. The maximum you can deduct on your return for recovery property (section 179) is \$10,000. For example, if you received a Schedule K-1 allocating \$1,000 of section 179 expense to you, the maximum amount you can deduct from your sources the following year is \$1,000. This limit is reduced if the total cost of the section 179 property is more than \$200,000. Your deduction is also limited to the total taxable income from all your trades or businesses. See Form 4562 and Pub 534 for details.

If you are claiming a nonpassive 179 deduction from a partnership activity, there is an allowable deduction in Part II, column (j).

Partnerships

If you have other partnership items relating to a passive activity, or income or loss from a partnership, you must report them on Form 8582, instructions before entering them on your return.

If you have other partnership items, such as depletion, from a nonpassive activity, show each item on a separate line in Part II. Show unrecaptured partnership expenses

from nonpassive activities on a separate line in column (j) of Part II. Unrecaptured expenses that are itemized deductions are entered on Schedule A (Form 1040). Report allowable interest expense paid or received on Schedule E (Form 1040). Report a nonrecourse financed acquisition of property on Schedule E (Form 1040) in the type of expenditure to which the interest is allocated. See Pub. 545 for details.

If you claimed a credit for Federal tax on gasoline or other fuels on your 1988 Form 1040 (based on information received from the partnership), enter as income in column (h) or column (k), whichever applies, the amount of the credit claimed in 1988.

Part or all of your share of partnership income or loss from the operation of the partnership may be considered net earnings from self-employment. If you are a partner, report on Schedule SE (Form 1040) the amount from Schedule K-1 (Form 1065), line 14a, on Schedule SE, after you reduce this amount by any allowable expenses attributable to that income.

If you have losses or deductions from a prior year that you could not deduct because of the at-risk or basis rules, and the amounts are now deductible, do not report them on your return. Instead, any current-year amounts to arrive at a net figure to report on Schedule E, instead, report on separate lines on Schedule E, prior-year amounts and current-year amounts.

S Corporations

Your share of the net income is NOT subject to self-employment tax. Distributions of prior-year accumulated earnings and profits of S corporations are dividends and are reported on Schedule B (Form 1040). For details, see Pub. 585, Tax Information on S Corporations.

Ministerial expenses relating to the operation of a S corporation are considered passive activity. Schedule E is not income or loss from a passive activity.

Note: If you are a regular holder of a REMIC, do not use Schedule E to report the income you received. Instead, report it on Form 1040, line 8a.

If you are a residual holder in more than one REMIC, attach a continuation sheet using the same format as shown in Part IV. Enter the totals of columns (d) and (e) on line 37 of the continuation sheet. Report in Part I on more than one Schedule E, use the same Schedule E on which you entered the combined totals in Part I. If you are treating REMIC items on your tax return differently from the way the REMIC reported them on its return, you may have to file Form 8082.

Column (c). Report the total of the amounts shown on Schedule(s) Q, line 2c, in Part IV, column (c). This is the smallest amount of taxable income you must report on Form 1040, line 37, 1989. If the taxable income you would show on Form 1040, line 37, is smaller than the total reported in column (c), you must enter the amount from column (c) on Form 1040, line 37. Write "Sch. Q" on the dotted line next to line 37 on Form 1040.

Caution: Do not include the amount shown in column (c) in the total on line 41 of Schedule E.

Estates and Trusts

If you are a beneficiary of an estate or trust, use Part III to report your part of the income (even if not received) or loss. You should receive a Schedule K-1 (Form 1041) from the fiduciary. Do not attach that Schedule to your return. Keep it for your records. Your copy of Form 1041 and its instructions will tell you when and where to report the items from Schedule K-1.

Caution: Future regulations will explain how to determine whether you should show amounts reported to you on Schedule K-1 (Form 1041) as amounts from passive activities.

If you have estimated taxes credited to you from a trust (Schedule K-1, line 12a), write "ES payment claimed" and the amount on the dotted line next to line 39. If you are a beneficiary of a trust, report on line 39, instead, enter the amount on Form 1040, line 57.

A U.S. person who transferred property to a foreign trust may have to include in income the income received by the trust as a result of the transferred property if, during 1989, the trust had a U.S. beneficiary. For more information, get Form 3520-A, Annual Return of Foreign Trust With U.S. Beneficiaries.

Part IV

If you are a resident holder of a Real Estate Mortgage Investment Conduit (REMIC), use Form 1040, line 37, to report your total share of the REMIC's taxable income or loss for each quarter included in your tax year. You should receive Schedule Q (Form 1066) and instructions from the REMIC for each quarter. Attach the forms to your records.

Income or Loss From REMICs

If you are a resident holder of a Real Estate Mortgage Investment Conduit (REMIC), use Form 1040, line 37, to report your total share of the REMIC's taxable income or loss for each quarter included in your tax year. You should receive Schedule Q (Form 1066) and instructions from the REMIC for each quarter. Attach the forms to your records.

Part V

REMIC income or loss reported on Schedule E is not income or loss from a passive activity.

Note: If you are a regular holder of a REMIC, do not use Schedule E to report the income you received. Instead, report it on Form 1040, line 8a.

If you are a residual holder in more than one REMIC, attach a continuation sheet using the same format as shown in Part IV. Enter the totals of columns (d) and (e) on line 37 of the continuation sheet. Report in Part I on more than one Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

If you are treating REMIC items on your tax return differently from the way the REMIC reported them on its return, you may have to file Form 8082.

Column (c). Report the total of the amounts shown on Schedule(s) Q, line 2c, in Part IV, column (c). This is the smallest amount of taxable income you must report on Form 1040, line 37, 1989. If the taxable income you would show on Form 1040, line 37, is smaller than the total reported in column (c), you must enter the amount from column (c) on Form 1040, line 37. Write "Sch. Q" on the dotted line next to line 37 on Form 1040.

Caution: Do not include the amount shown in column (c) in the total on line 41 of Schedule E.

Column (e). Report the total of the amounts shown on Schedule(s) Q, line 3b, in Part IV, column (e). If you itemize your deductions on Schedule A (Form 1040), deduct this amount on line 21.

Part V

Summary of Parts I through IV

Include any windfall profit tax credit or refund received in 1989 in the total on line 42. You deducted the tax withheld in 1988 on Schedule A (Form 1040). Enter the amount on your 1988 tax return. On the dotted line next to this total, write "OWPT" and show the amount.

Part VI

Reconciliation of Farming and Fishing Income
Enter on line 43 your total share of gross farming and fishing income as shown on Form 4633, line 10. Schedule K-1 (Form 1065), line 10, shows the amount for 11/2005, line 20, and Schedule K-1 (Form 1041), line 12.

You will not be charged a penalty for underpayment of estimated tax if you meet the following tests:
1. Your gross farming or fishing income for 1988 or 1989 is at least two-thirds of your gross income, and
2. You file your 1989 tax return and pay the tax due by March 1, 1990.

Instructions for Schedule C

Profit or Loss From Business

A Change You Should Note

Beginning in 1989, the base rate (including taxes) of the first telephone line into your residence is a nondeductible personal expense.

Purpose

If you operated a business or practiced a profession as a sole proprietorship, complete Schedule C. If you had more than one business, or if you and your spouse had separate businesses, you must complete a Schedule C for each business. Farmers should use Schedule F.

Partners of Form 1041. Do not complete the line for Social Security number. Instead, enter your employer identification number on line D.

Other Schedules and Forms You May Have To File

Schedule A to deduct interest, taxes, and casualty losses not related to your business. Schedule SE to pay social security self-employment tax on income from any trade or business.

Form 4562 to claim depreciation or amortization of assets.

Form 4684 to report a casualty or theft involving trade or business, or income-producing property.

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Form 4797 to report sales, exchanges, and involuntary conversions (other than casualty or theft) of trade or business property.
Form 8594 to report certain partnership or sales of groups of assets that constitute a trade or business.

Information Returns. You may have to file information returns for wages paid to employees, certain payments of fees and commissions, royalties, and other income, rents, royalties, real estate transactions, annuities, and pensions. You may also have to file an information return if you sold \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other similar basis for resale. For more information, get Pub. 937, Business Reporting.

If you received cash of more than \$10,000 during the year from a cash transaction in the course of your trade or business, you may have to file Form 8300.

Additional Information

Get Pub. 334, Tax Guide for Small Business, for more details on business income and expenses.

Line A

Describe the business or professional activity that provided your principal source of income reported on line 1. Give the general field or activity and the type of activity. If the activity is wholesale or retail trade, or services connected with production or services (mining, construction, or manufacturing), also give the type of customer or client. For example, "wholesale sale of hardware to retailers" or "appraisal of real estate for lending institutions."

Line B

Enter on this line the 4 digit code that identifies your principal business or professional activity. See page 2 of Schedule C for the list of codes.

Line C

Use your home address only if you actually conducted the business from your home. Show a street address instead of a box number.

Line D

You don't need an employer ID number unless you had a Keogh plan or were required to file an employment, excise, fiduciary, or alcohol, tobacco, and firearms tax return.

Line E

Your inventories can be valued at:
• cost,
• cost or market value, whichever is lower, or
• any other method approved by the Commissioner of Internal Revenue.

Line F

You must use the cash method on your return unless you kept accurate books. If you kept such books, you can use the cash method or the accrual method. For more information, see the instructions for Form 28-1986, special rules apply. See Internal Revenue Code section 460 for details. The method used must clearly reflect your income.

To change your accounting method (including treatment of inventories), you must usually first get permission from IRS. In general, file Form 3115 within the first 180 days of the tax year in which you want to make the change.

If you use the cash method, show all items that you have included in income or deductively received during the year (in cash, property, or services). Also show amounts actually paid during the year for deductible expenses. Income is constructively received when it is credited to your account or set aside for you to use on your account or as credit for you to use when you earn it and deduct expenses when you incur them, even if you do not pay them.

Accrual basis accounting is on a cash basis for deducting business expenses owed to a related cash-basis taxpayer. Other rules determine the timing of deductions based on economic performance. Get Pub. 538, Accounting Periods and Methods.

Line H

Business Use of Your Home
Within certain limits, you may deduct business expenses for the part of your home only if that part is exclusively used on a regular basis:
1. as your principal place of business for any of your trades or businesses, or
2. as a place of business used by your patients, clients, or customers to meet or deal with you in the normal course of your trade or business, or
3. in connection with your trade or business if it is a separate structure that is not attached to your home.

You may also deduct expenses that apply to space within your home if it is the only place location of your trade or business. The space must be regularly used in the business of selling products at retail or wholesale prices.

If you use space in your home on a regular basis in your trade or business of providing day care service, you may be able to deduct the business expenses even though you use the same space for nonbusiness purposes.

Limit on Deductions. Certain expenses for the business use of your home are limited to the gross income from the business use of the space. The total of the following deductions is limited to the gross income from the business use of the space:
1. The business part of your deductible mortgage interest, real estate taxes, and casualty losses.
2. Your other business deductions, such as wages and supplies, that are not related to the business use of the home.

The expenses to which the limit applies, and the order in which they must be deducted, are listed below:
• Your expenses for the business use of your home, other than those listed in 1 above, that are related to the use of the home itself. These include maintenance, utilities, and insurance.
• Depreciation.

Carry over any amount you cannot deduct for 1989 from the limit may be taken into account for 1990. Get Pub. 587 for details. Also get Pub. 936, Limits on Home Mortgage Interest Deduction, to see how much interest you can deduct.

you own a working interest directly or through an entity that does not limit your liability, check the "Yes" box on line 1. The activity of owning the working interest is not a partnership activity for the purposes of your participation in the activity.

Also, enter in line 6 amounts from:

- Finance received in the form of cash, bad debts you recovered, interest (such as on notes and accounts receivable), state gasoline or fuel tax refunds you got in 1989, credit for Federal tax on gasoline or other fuel claimed on your 1988 Form 1040, and other kinds of miscellaneous business income. Include on line 6 amounts you received from the business as shown on Form(s) 1099-PATR.

If you have listed property that you placed in service after February 18, 1984, and the business use percentage decreased to 50% or less in 1989, report on this line any recapture of excess depreciation, including any section 179 expense deduction. Use Form 4797 to figure the recapture.

Line J

Tax Shelter. If you claim or report any deduction, credit, other tax benefit, or income on Schedule C from an interest purchased or otherwise acquired in a tax shelter required to be registered, you must check the box on line J, and file Form 8271.

Part I

Income (Lines 1 through 7)

Line 1

Enter gross receipts or sales from your business. Be sure to include on this line amounts you received in your trade or business as shown on Form(s) 1099-MISC. In addition to direct costs, producers of inventory property must also include part of certain indirect costs in their inventory.

Purchases of personal property acquired for business use must be reported on this line as investments if the average annual gross receipts for the 3 prior tax years exceed \$10 million. Also, part of the indirect costs that benefit real or tangible personal property constructed for use in a trade or business, or noninventory property, produced for sale to customers, must be capitalized. Reduce the amounts on lines 1 and 2 by the amount of indirect costs capitalized. If you make this election, include the interest on Form 1040, line 39. Also write "453(O)(3)" and the amount of the interest on the dotted line to the left of line 39.

Any gain not yet recognized from an installment sale after February 28, 1986, of property listed in (1) or (2) above must generally be included in income over a period not exceeding 3 years. See Reg. 1.453-6. Reproduced 8476, 1984-2 C B 736 are used to figure the amount to include each year, except that the adjustment must be included in income at a rate no slower than the rate of contraction of your dealer installment obligations.

If you use the installment method, attach a schedule to your return. Show separately for 1989 and the 3 preceding years: gross sales, cost of goods sold, gross profit, amounts collected, and gross profit on amounts collected.

Line 2

Enter on line 2 such items as returned sales, rebates, and allowances from the sales price.

Line 6

In certain situations, you must report as income on line 6 any credit or refund of overpaid windfall profit tax received in 1989 for tax year 1988, based on overwithholding or the net income limitation. In general, the balance you had in the reserve account at

the end of 1986 must be included in your income ratably over a 4 year period.

Line 10

You can deduct the actual cost of running your car or truck, or take the standard mileage rate. You must use actual costs if you use more than one vehicle in your business. If you deduct actual costs, show depreciation on line 13.

Note: If you claim any car expenses (actual costs or the standard mileage rate), you must complete Part III of Form 4562, Depreciation and Amortization.

The standard mileage rate is 25¢ a mile, plus up to 13¢,000 for 1982, and 11¢ for 1983. The 1982 and 1983 amounts your parking fees and tolls.

For cars and trucks that have been fully depreciated, the rate is 11¢ a mile. If you use the standard rate, the vehicle is considered to have a useful life of 60,000 miles of business use at the maximum standard mileage rate. For details, get Pub. 917, Business Use of a Car.

Capitalizing Costs of Property. If you produced real or tangible personal property or acquired property for resale, certain expenses attributable to the property must be included in inventory costs or capitalized. In addition to direct costs, producers of inventory property must also include part of certain indirect costs in their inventory.

Purchases of personal property acquired for business use must be reported on this line as investments if the average annual gross receipts for the 3 prior tax years exceed \$10 million. Also, part of the indirect costs that benefit real or tangible personal property constructed for use in a trade or business, or noninventory property, produced for sale to customers, must be capitalized. Reduce the amounts on lines 1 and 2 by the amount of indirect costs capitalized. If you make this election, include the interest on Form 1040, line 39. Also write "453(O)(3)" and the amount of the interest on the dotted line to the left of line 39.

Any gain not yet recognized from an installment sale after February 28, 1986, of property listed in (1) or (2) above must generally be included in income over a period not exceeding 3 years. See Reg. 1.453-6. Reproduced 8476, 1984-2 C B 736 are used to figure the amount to include each year, except that the adjustment must be included in income at a rate no slower than the rate of contraction of your dealer installment obligations.

If you use the installment method, attach a schedule to your return. Show separately for 1989 and the 3 preceding years: gross sales, cost of goods sold, gross profit, amounts collected, and gross profit on amounts collected.

Line 9

Caution: Cash method taxpayers cannot take a bad debt deduction unless the amount was previously included in income. Include debts and partial debts arising from sales or services that were included in income and are definitely known to be worthless. If you later collect a debt that you deducted as a bad debt, include it as income.

Note: If you used the reserve method prior to 1987 to figure your bad debts, any balance you had in the reserve account at the end of 1986 must be included in your income ratably over a 4 year period.

Line 11

You can deduct an amount each year for assets you buy to use in your business. The stock in trade, inventories, land, and other personal assets. You may also choose under section 179 to expense part of the cost of certain depreciable property you bought in 1989 for use in your business. Figure your depreciation deduction, including the section 179 expense deduction, on Form 4562.

The depreciation deduction for cars, including any section 179 deduction, is limited to \$2,660. The allowable amounts are further limited if your business use is less than 100%. If you claim depreciation for any cars or other listed property, you must complete Part III of Form 4562. See the Instructions for Form 4562 and Pub. 934 for details.

If you have listed property (such as a car or light truck) that you placed in service in 1989, you must include the depreciation percentage of the property decreased to 50% or less during 1989. You may have recaptured excess depreciation, including any section 179 expense deduction. Get Form 4797 and its instructions for details.

If you took an investment credit on property that you dispose of before the end of its class life or life spans, the business use percentage decreases, or the property use otherwise changes so that it no longer qualifies, you may have to refigure the

Line 12

Enter your deduction for depletion on this line. If you have timber depletion, attach Form T. See Pub. 535 for details.

Line 13

You can deduct an amount each year for assets you buy to use in your business. The stock in trade, inventories, land, and other personal assets. You may also choose under section 179 to expense part of the cost of certain depreciable property you bought in 1989 for use in your business. Figure your depreciation deduction, including the section 179 expense deduction, on Form 4562.

The depreciation deduction for cars, including any section 179 deduction, is limited to \$2,660. The allowable amounts are further limited if your business use is less than 100%. If you claim depreciation for any cars or other listed property, you must complete Part III of Form 4562. See the Instructions for Form 4562 and Pub. 934 for details.

If you have listed property (such as a car or light truck) that you placed in service in 1989, you must include the depreciation percentage of the property decreased to 50% or less during 1989. You may have recaptured excess depreciation, including any section 179 expense deduction. Get Form 4797 and its instructions for details.

credit. Get Form 4255, Recapture of Investment Credit, for details.

Line 14

Deduct contributions that are not an incidental part of a pension or profit-sharing plan included on line 20. Also include made to buy, or (3) incurred while you or your employee is present at the meal.

Business meals are deductible if they are (1) directly related to or associated with the active conduct of your trade or business, and (2) incurred while you or your employee is present at the meal.

There are exceptions to these rules as well as other rules that apply to sky box rentals, tickets to entertainment events, and luxury water travel. Get Pub. 463.

Line 15

Enter your deduction for contributions to a pension, profit-sharing, or annuity plan, or plans for the benefit of your employees. If the plan includes you as a self-employed person, enter contributions made as an employer on your behalf on Form 1040, line 27, not on Schedule C.

Generally, you must file one of the following for contributions to a pension, profit-sharing, or annuity plan: (1) a compensation plan. The filing requirement is not affected by whether or not the plan is qualified under the Internal Revenue Code, or whether or not you claim a deduction for the current tax year.

Form 5500. Complete this form for each plan with 100 or more participants. Complete the applicable form for each plan with less than 100 participants. These forms are required to file timely if there is a penalty for failure to timely file.

For more information, get Pub. 560, Self-Employed Retirement Plans.

Line 16

Deduct the cost of repairs including labor, supplies, and other items that do not add to the value or increase the life of the property. Do not deduct the value of your own labor. Do not deduct amounts spent to restore or replace property. They are restoration or replacement costs. The depreciation deduction, depending on how depreciation is charged on your books.

Line 24
You can deduct the following taxes on business assets:
• Real estate and personal property taxes
• Social security taxes paid to match required withholding from your employees' wages. Also, Federal unemployment tax paid
• Federal highway use tax.
Do not deduct:
• Federal income taxes.
• Estate and gift taxes.
• Taxes assessed to pay for improvements, such as paving and sewers.
• Taxes on your home or personal property.
• State and local sales taxes (treat instead as part of the cost of the property).
• Other taxes not related to your business.

Lines 25a through 25d
You may deduct only 80% of your business-related meal and entertainment expenses for which you reimburse your employees, but only if you do not treat the reimbursement as wages subject to withholding.

Business meal expenses are deductible if they are (1) directly related to or associated with the active conduct of your trade or business, and (2) incurred while you or your employee is present at the meal.

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Line 25

Enter your deduction for contributions to a pension, profit-sharing, or annuity plan, or plans for the benefit of your employees. If the plan includes you as a self-employed person, enter contributions made as an employer on your behalf on Form 1040, line 27, not on Schedule C.

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Do not deduct:
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You can deduct the following taxes on business assets:
• Real estate and personal property taxes
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Do not deduct:
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• Estate and gift taxes.
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• Taxes on your home or personal property.
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Generally, you must file one of the following for contributions to a pension, profit-sharing, or annuity plan: (1) a compensation plan. The filing requirement is not affected by whether or not the plan is qualified under the Internal Revenue Code, or whether or not you claim a deduction for the current tax year.

100

Net Earnings From Self-Employment

What is included in net SE earnings? In most cases, net earnings include your net profit from a farm or nonfarm business. If you are a partner in a partnership, see the instructions on page 39.

Do not report on lines 1 and 2 any income or expense concluded in figuring net SE.

If you deposited earnings into a capital construction fund set up under the Merchant Marine Act of 1936, get Pub.

100

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100

Use Form 4684 to report a casualty or theft involving farm business property, such as a horse, dog, cat, bird, draft, breeding, sport, or dairy purposes.

See Pub. 225 for more information on how to report various farm losses, such as losses due to death of livestock or damage to crops or other farm property.

Filing Information Returns

You may have to file information returns for wages paid to employees, certain payments to independent contractors, and certain annuities, interest, rents, royalties, annuities, pensions. You may also have to file an information return if you sold \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other similar basis for resale. For more information, get Pub. 937, Business Reporting.

In addition, if you received cash of more than \$10,000 in one or more related transactions, you may have to file Form 8300.

Lines A and B

On line A, enter your principal crop or activity for the current year.

On line B, enter one of the 15 major agricultural activity codes listed in Part IV on page 2 of Schedule F. The code you select should represent the major farm product or activity that produced the largest amount of your income. Field crop pertains to the production of grains, such as wheat, rice, feed corn, soybeans, barley, rye, and lentils; and nongrains such as cotton, tobacco, sugar, and Irish potatoes. Animal specialty includes the raising of pets or laboratory animals, such as dogs, cats, bees, and snakes.

Line C

Under the cash method, include all income in the year you actually get it. Generally, deduct expenses when you pay them. If you use the cash method, check the box labeled "Cash." Complete Parts I, II, III, and line 11 of Schedule F.

Under the accrual method, include income when you receive it. Deduct expenses when you incur them. If you use the accrual method, check the box labeled "Accrual." Complete Parts II, III, and line 11 of Schedule F.

Other rules apply that determine the timing of deductions based on economic performance. Get Pub. 538, Accounting Periods and Methods, for details.

Farming syndicates cannot use the cash method of accounting. A farming syndicate may be a partnership, or an S corporation. If the interests in the business have ever been sold, the syndicate must register with any Federal or state agency, or

b. more than 35% of the loss during any tax year is spread between limited partners or limited entrepreneurs. (A limited partner is one who can lose only the amount invested in the partnership, a limited entrepreneur is a person who does not take any active part in managing the business.)

Instructions for

Schedule F

Farm Income and Expenses

Changes You Should Note

Beginning in 1989, the base rate (including taxes) of the first telephone line into your residence is a nondeductible personal expense.

Beginning in 1989, expenses incurred to file an information return if you sold \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other similar basis for resale. For more information, get Pub. 937, Business Reporting.

In addition, if you received cash of more than \$10,000 in one or more related transactions, you may have to file Form 8300.

On line A, enter your principal crop or activity for the current year.

On line B, enter one of the 15 major agricultural activity codes listed in Part IV on page 2 of Schedule F. The code you select should represent the major farm product or activity that produced the largest amount of your income. Field crop pertains to the production of grains, such as wheat, rice, feed corn, soybeans, barley, rye, and lentils; and nongrains such as cotton, tobacco, sugar, and Irish potatoes. Animal specialty includes the raising of pets or laboratory animals, such as dogs, cats, bees, and snakes.

Under the cash method, include all income in the year you actually get it. Generally, deduct expenses when you pay them. If you use the cash method, check the box labeled "Cash." Complete Parts I, II, III, and line 11 of Schedule F.

Under the accrual method, include income when you receive it. Deduct expenses when you incur them. If you use the accrual method, check the box labeled "Accrual." Complete Parts II, III, and line 11 of Schedule F.

Other rules apply that determine the timing of deductions based on economic performance. Get Pub. 538, Accounting Periods and Methods, for details.

Farming syndicates cannot use the cash method of accounting. A farming syndicate may be a partnership, or an S corporation. If the interests in the business have ever been sold, the syndicate must register with any Federal or state agency, or

b. more than 35% of the loss during any tax year is spread between limited partners or limited entrepreneurs. (A limited partner is one who can lose only the amount invested in the partnership, a limited entrepreneur is a person who does not take any active part in managing the business.)

You may change the method after you file your return. For example, you can change from the cash to the accrual method, or from the accrual to the cash method, or from the optional to the regular method, or from the regular to the optional method.

For a farm partnership, figure your share of gross income based on the partnership agreement. With guaranteed payments, your share of the partnership's gross income is your guaranteed payment plus your share of the gross income after it is reduced by all guaranteed payments of the partnership. If you are a limited partner, include only guaranteed payments.

Optional Method for NONFARM Income
Were your net nonfarm profits less than \$1,600 and also less than two-thirds of your gross nonfarm income? If yes, you may elect the optional method. It may require self-employment or regular a partner. You must meet this requirement if you had actual net earnings from self-employment of \$400 or more in at least 2 of the 3 years just before the year for which you use this nonfarm method. The net earnings of \$400 or more could be from either farm or nonfarm income. If you have nonfarm income from any of your partnerships.

You may report on line 3b of Part I and line 13 of Part II two-thirds of your gross nonfarm income, up to \$1,600 as your net nonfarm income, but you may not report less than your actual net earnings from nonfarm self-employment.

Method for Farm Income on page 39 for details on how to figure your share of gross income. The limit for the optional method for nonfarm self-employment is five years. The five years do not have to be one after another.

Using Both Optional Methods
Did you have both nonfarm and farm income? If you did, you may use the nonfarm optional method if:

- your actual net earnings from nonfarm self-employment were less than \$1,600, and
 - your net nonfarm profits were less than two-thirds of your gross nonfarm income.
- If you can use both methods, you may report less than your total actual net earnings from farm and nonfarm income, but you cannot report less than your actual net earnings from nonfarm self-employment. If you use both methods to figure net earnings, you cannot report more than \$1,600 of net SE earnings.

Line 11
Enter the smaller of:

- two-thirds (2/3) of the total gross income from all Schedules F, line 11, and Schedules K-1 (Form 1065), line 14b; or
- \$1,600.

Line 13
Enter the smallest of:

- \$1,600; or
- two-thirds (2/3) of the total gross income from all Schedules K-1, line 7, plus your distributive share of gross income from all nonfarm partnerships, Schedules K-1 (Form 1065), line 14c; or
- the amount on line 12 if you also had farm income and elect the farm optional method.

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other property that would be includible in inventory, or held primarily for sale to customers in the ordinary course of the business; or

c. certain transactions in timber, coal, or domestic iron ore.

Medicare Qualified Government Employment
Section B, Long Schedule SE, line 6b

Medicare qualified government wages are wages you get as a Federal, state, or local government employee that are subject ONLY to the 1.45% Medicare tax. If you have wages, such as Social Security, from an employer that are not subject to the 1.45% Medicare tax, include them on line 5a instead, include them on Schedule SE, line 6b. Wages you enter on line 5a are subject to the old-age, survivors, and disability insurance tax as well as the 1.45% Medicare tax.

Note: Also see the Instructions for Form 1040, line 62, to see if you should file Form 4469, Computation of Excess Farm Income.

Figure Tax SE by using the rate on line 8 of Section B. If you do not have to use the worksheet below, do not reduce the rate by the Medicare tax rate. But you must use the worksheet to figure your SE tax and skip lines 7 and 8 of Section B if:

- you had Medicare qualified government wages as explained above; and
- the total of the amounts on lines 3a, 3b, 5c, 6b, and 6c of Schedule SE is more than \$48,000.

Worksheet—(Keep for your records)

- Enter total of lines 3a, 3b, and 5c from Schedule SE _____
- Enter line 6a from Schedule SE _____
- Enter your Medicare qualified government wages from line 6b of Schedule SE. If line 6a is zero, stop here. Do not enter SE tax. _____

4. Subtract line 3 from line 2. (If zero or less, enter -0-.) _____

5. Multiply the smaller of line 1 or line 2 by 1031. _____

6. Enter the smaller of line 1 or line 2. _____

7. Add lines 5 and 6. Enter the total on line 9 of Schedule SE and on Form 1040, line 48. _____

Optional Methods
Optional Method for FARM Income

Was your gross farm income for the year \$2,400 or less? If yes, you can report two-thirds of your gross farm income instead of your actual net earnings from farming on line 3a of Part I and line 11 of Part II.

If your gross farm income was more than \$2,400, and your net farm profits were less than \$1,600, you can report \$1,600 on line 3a of Part I and line 11 of Part II.

If you report \$1,600, you can increase or decrease your net SE farm earnings, even if the farming business resulted in a loss. There is no limit on how many times you can use this method. If you use this method, you must apply it to all farm earnings from self-employment for the year.

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Income as a crew member of a fishing vessel with a crew of normally less than 10 employees. Get Pub. 595.

• Fees as a state or local government employee if you were paid only on a fee basis and the job was not covered under a Federal State Social Security coverage agreement.

• Interest received in the course of any trade or business, such as interest on notes or accounts receivable.

• The rental value of a home or an allowance for a home furnished to you as a minister or a member of a religious order. Get Pub. 517 for details.

• The value of meals and lodging given to you for the convenience of your employer if you are a minister or member of a religious order. Get Pub. 17.

• Fees and other payments received by you as a director of a corporation for services as a director.

Note: Director's earnings are treated as retirement income if the services are performed on a regular basis when paid, for SE tax purposes.

• Recapture amounts under sections 179 and 280F that you included in gross income because the business use of the property dropped to 50% or less. Do not include amounts you recaptured on the disposal of property. See Form 4797, Sales of Business Property.

• Fiduciaries' fees you received as a professional fiduciary. This may also apply to fees you received as a professional fiduciary in the operation of an estate business, or the management of an estate that required extensive professional activities over a long period of time.

Option and commodity dealers engaged in trading section 1256 contracts, see section 1402(i) to figure net SE earnings.

Income Not Included in Net Earnings From Self-Employment

- Salaries, fees, etc., subject to social security tax that you received for performing services as an employee, including services performed as a public official (except as a fee basis government employee).
- Income from a partnership in which you are an employee or an employee or employee representative under the railroad retirement system.
- Income you received as a retired partner under a written partnership plan that provides for lifetime periodic retirement payments if you had no other interest in the partnership and did not perform services for the partnership.
- During the year:

• Rental income from real estate rentals (including net rental income) if you received net rental income in the course of a trade or business as a real estate dealer. This includes cash and crop shares received from a tenant or shareholder. You should report this income on Schedule E, Part I.

• Dividends on shares of stock and interest on bonds, notes, etc., if you did not get the income in the course of your trade or business as a dealer in stocks or securities.

• Gain or loss from:

- the sale or exchange of a capital asset;
- the sale, exchange, involuntary conversion, or other disposition of property unless the property is stock-in-trade or

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If you are a duly ordained minister who is an employee of a church and you are subject to SE tax, the unreimbursed business expenses that you incurred as a church employee are allowed only as an adjustment to gross income for SE tax purposes. They are deducted from your SE earnings in figuring SE tax. However, special rules apply. Get Pub. 517.

Partnerships
If you are a general partner, include in your total net earnings your share of partnership income or loss from the trade or business. Also include any guaranteed payments your partnership paid you for your personal services. If you are a limited partner, include only guaranteed payments. Line 13a of Schedule SE (Form 1040) should show net earnings (or either general or limited partners).

If your partnership is engaged solely in the operation of a group investment program, earnings from the operation are not SE earnings for either the general or limited partner.

If you are married and both you and your spouse are partners in a partnership, each of you is subject to SE tax on your own share of the partnership income or loss. If you are a partner in a partnership, you must report the partnership income or loss on Schedule E (Form 1040), Part II, for income tax purposes.

SE income belongs to the person who is the member of the partnership and cannot be treated as SE income by the nonmember spouse. This applies even in community property states.

If a partner in an ongoing partnership has a net loss from the partnership, the loss is included in the partner's net SE earnings.

Share Farming
You are considered self-employed if you produced crops or livestock on someone else's land for a share of the crops or livestock produced (or the proceeds from them). This is true even if you had another person ("agent") doing the actual work or management for you. Report your net earnings from share farming on Schedule SE (Form 1040), line 13a, for SE tax purposes on Schedule SE. For more details, get Pub. 225, Farmer's Tax Guide.

Other Income Included in Net Earnings From Self-Employment

- Rental income from a farm, if as landlord, you participated materially in the production or management of the production of farm products on this land. This income is farm earnings. (To determine whether you participated materially in farm management or production, do not consider the activities of any agent who acted for you. See Pub. 225, Farmer's Tax Guide, explained in Pub. 225.)
- Cash or a payment in kind for being in a land diversion program.
- Payments for the use of rooms or other space when you also provided substantial services. Examples are hotel camps, boarding houses, and tourist camps, or homes.
- Payments for space in parking lots, trailer camps, or storage garages.
- Income from the sale of newspapers and magazines if you were 18 or older and kept the profits.

Line D

You need an employer ID number only if you are a partner or sole proprietor. If you are an employee, do not check the "Yes" box for an employer ID number. See instructions for line 10.

Line E

You can elect to include Commodity Credit Corporation loan proceeds as income in the year you received them instead of reporting them as income in the year sold or in the year of forfeiture. If you made this election and reported these loan proceeds as income in a prior year, check the "Yes" box on line E. Otherwise, check "No." For information on how to make this election, see the instructions for lines 7a-7c.

Line F

Material Participation
See the instructions for Schedule C (Form 1040), line 1, for the definition of material participation for purposes of the passive activity rules.

If you meet any of the material participation tests described in the line 1 instructions for Schedule C, check the "Yes" box.

If you are a retired or disabled farmer, you are treated as materially participating in a farming business if you materially participated 5 of the 8 years preceding your retirement or disability. If you are a surviving spouse, you are treated as materially participating in a farming activity if the real property used in the activity meets the estate tax rules for a special valuation of farm property passed from a qualifying decedent, and the surviving spouse actively managed the farm.

Check the "No" box if you did not materially participate. If you checked "No" and you have a loss from this business, see the instructions for line 36. If you have a profit from this business activity, you may not deduct losses from other passive activities. See the instructions for Form 8582, Passive Activity Loss Limitations.

Limit on Losses. If you checked the "No" box on line F and you have a loss from this business, you must use Form 8582 to figure your allowable loss, if any, to enter on line 36. Generally, you can deduct losses from other passive activities to the extent of income from passive activities. Activity and At-Risk Rules.

Line G

Capitalization rules apply if you produce real or tangible personal property or acquire property for resale (See **Exceptions** below). This means that certain expenses must be capitalized and added to the cost basis of the property and the share of any indirect costs allocable to that property. But in some cases, you may be able to elect to currently deduct certain preproductive period expenses rather than capitalize them. See **Exception to Deduct Certain Preproductive Period Expenses** on this page.

Exceptions. These rules generally do NOT apply to:

1. expenses incurred after 1988 to raise any animals,

2. expenses of producing any plant that has a preproductive period of 2 years or less, or

3. expenses of replanting certain crops if they were lost or damaged by reason of disease, drought, or other casualty.

Note: *Exceptions 1 and 2 above do not apply to tax shelters, farm syndicates, or partnerships required to use the accrual method of accounting under Internal Revenue Code section 447 or 448.*

Exception to Deduct Certain Preproductive Period Expenses. If the preproductive period of any plant you produce is less than 2 years, you may elect to currently deduct the expenses rather than capitalize them. But you may not make this election for the costs of planting or growing citrus or almond groves that are incurred before the close of the fourth tax year beginning with the tax year you plant them in their permanent grove.

Accrual Method. The election may not be made by tax shelters, farm syndicates, or partnerships required to use the accrual method of accounting under Internal Revenue Code section 447 or 448.

If you elect to currently deduct your preproductive period expenses for plants, you will have to recapture these costs as ordinary income when you dispose of this property, and the alternative depreciation rules apply to property placed in effect. You must make this election in the first tax year after 1986 during which you engage in a farming business involving the production of property subject to the capitalization rules. Except as explained below, you may not revoke this election without the consent of IRS.

For more information, see Pub. 225 **Which Box Should I Check?** If you are revoking a prior election you made for a preproductive period expense, you must check the "Does Not Apply" box on line G. Also check the "Does Not Apply" box if you do not, or did not, have preproductive period expenses or if you are not eligible to make the election.

Check the "Yes" box if you are electing to currently deduct your preproductive period expenses. Also check the "Yes" box if you are electing to currently deduct your preproductive period expenses. Also check the "No" box if you are capitalizing your preproductive period expenses. Also check the "No" box if you chose to capitalize them in a prior year.

Caution: If you are eligible to make this election but you do not check any of the boxes on line G and you deduct these expenses, you will be treated as if you checked the "Yes" box.

Revocation of Prior Election for Animals. If you previously elected to deduct preproductive period expenses for animals, you must deduct the expenses for the remainder of the preproductive period of the animal (or the female beef or dairy cattle, you may revoke that election for your first tax year beginning after 1988 without the consent of IRS. To do so, write "Prior Election for Animals Revoked" in the space below line G.

Even if you revoke your election to deduct preproductive period expenses for animals, you must continue to apply the capitalization rules to any property placed in service while your election was in effect.

Also, the expenses you previously elected to deduct will have to be recaptured as ordinary income when you dispose of the animals. If you are revoking your election to use the simplified method of capitalizing the costs of raising female beef or dairy cattle, you must continue to amortize the costs you previously elected to amortize in 1989.

Part I**Farm Income—Cash Method**

In Part I show income received for items listed on lines 1 through 10. Count both the cash actually or constructively received and the fair market value of goods or other property received for these items.

Income is constructively received when it is credited to your account or set aside for you to use.

If you ran the farm yourself and received rents based on farm production or crop shares, report these rents as income on line 4a. If you received income from a partnership, report this income on line 4b. If you sold livestock because of a drought, you can carry the income from the sale in the year after the drought, instead of the year of the sale. You can do this if:

- your main business is farming, AND
- you can show that you sold the livestock only because of the drought, AND
- your area qualified for Federal aid.

Information Returns

If you received information returns (Forms 1099 or CCC-182) showing amounts paid to you, first determine if the amounts are to be included in your income. Then use the chart below to determine where to report the income on Schedule F. Include the Form 1099 or CCC-182 amounts with any other income reported on that line.

Information return
Where to report
Form 1099-MISC
Form 1099-INT
Form 1099-DIV
Form 1099-ORD
Form 1099-SC
Form 1099-SS
Form 1099-T
Form 1099-TR
Form 1099-VA
Form 1099-VC
Form 1099-VE
Form 1099-VF
Form 1099-VG
Form 1099-VH
Form 1099-VI
Form 1099-VJ
Form 1099-VK
Form 1099-VL
Form 1099-VN
Form 1099-VO
Form 1099-VP
Form 1099-VQ
Form 1099-VR
Form 1099-VS
Form 1099-VT
Form 1099-VU
Form 1099-VV
Form 1099-VW
Form 1099-VX
Form 1099-VY
Form 1099-VZ
Form 1099-CA
Form 1099-CB
Form 1099-CC
Form 1099-CD
Form 1099-CE
Form 1099-CF
Form 1099-CG
Form 1099-CH
Form 1099-CI
Form 1099-CJ
Form 1099-CK
Form 1099-CL
Form 1099-CM
Form 1099-CN
Form 1099-CO
Form 1099-CP
Form 1099-CQ
Form 1099-CR
Form 1099-CS
Form 1099-CT
Form 1099-CU
Form 1099-CV
Form 1099-CW
Form 1099-CX
Form 1099-CY
Form 1099-CZ
Form 1099-DA
Form 1099-DB
Form 1099-DC
Form 1099-DD
Form 1099-DE
Form 1099-DF
Form 1099-DG
Form 1099-DH
Form 1099-DI
Form 1099-DJ
Form 1099-DK
Form 1099-DL
Form 1099-DM
Form 1099-DN
Form 1099-DO
Form 1099-DP
Form 1099-DQ
Form 1099-DR
Form 1099-DS
Form 1099-DT
Form 1099-DU
Form 1099-DV
Form 1099-DW
Form 1099-DX
Form 1099-DY
Form 1099-DZ
Form 1099-EA
Form 1099-EB
Form 1099-EC
Form 1099-ED
Form 1099-EE
Form 1099-EF
Form 1099-EG
Form 1099-EH
Form 1099-EI
Form 1099-EJ
Form 1099-EK
Form 1099-EL
Form 1099-EM
Form 1099-EN
Form 1099-EO
Form 1099-EP
Form 1099-EQ
Form 1099-ER
Form 1099-ES
Form 1099-ET
Form 1099-EU
Form 1099-EV
Form 1099-EW
Form 1099-EX
Form 1099-EY
Form 1099-EZ
Form 1099-FA
Form 1099-FB
Form 1099-FC
Form 1099-FD
Form 1099-FE
Form 1099-FF
Form 1099-FG
Form 1099-FH
Form 1099-FI
Form 1099-FJ
Form 1099-FK
Form 1099-FL
Form 1099-FM
Form 1099-FN
Form 1099-FO
Form 1099-FP
Form 1099-FQ
Form 1099-FR
Form 1099-FS
Form 1099-FT
Form 1099-FU
Form 1099-FV
Form 1099-FW
Form 1099-FX
Form 1099-FY
Form 1099-FZ
Form 1099-GA
Form 1099-GB
Form 1099-GC
Form 1099-GD
Form 1099-GE
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Form 1099-GG
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Form 1099-GI
Form 1099-GJ
Form 1099-GK
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Form 1099-GM
Form 1099-GN
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Form 1099-GR
Form 1099-GS
Form 1099-GT
Form 1099-GU
Form 1099-GV
Form 1099-GW
Form 1099-GX
Form 1099-GY
Form 1099-GZ
Form 1099-HA
Form 1099-HB
Form 1099-HC
Form 1099-HD
Form 1099-HE
Form 1099-HF
Form 1099-HG
Form 1099-HH
Form 1099-HI
Form 1099-HJ
Form 1099-HK
Form 1099-HL
Form 1099-HM
Form 1099-HN
Form 1099-HO
Form 1099-HP
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Form 1099-HS
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Form 1099-HU
Form 1099-HV
Form 1099-HW
Form 1099-HX
Form 1099-HY
Form 1099-HZ
Form 1099-IA
Form 1099-IB
Form 1099-IC
Form 1099-ID
Form 1099-IE
Form 1099-IF
Form 1099-IG
Form 1099-IH
Form 1099-II
Form 1099-IJ
Form 1099-IK
Form 1099-IL
Form 1099-IM
Form 1099-IN
Form 1099-IO
Form 1099-IP
Form 1099-IQ
Form 1099-IR
Form 1099-IS
Form 1099-IT
Form 1099-IU
Form 1099-IV
Form 1099-IW
Form 1099-IX
Form 1099-IY
Form 1099-IZ
Form 1099-JA
Form 1099-JB
Form 1099-JC
Form 1099-JD
Form 1099-JE
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Form 1099-JI
Form 1099-JJ
Form 1099-JK
Form 1099-JL
Form 1099-JM
Form 1099-JN
Form 1099-JO
Form 1099-JP
Form 1099-JQ
Form 1099-JR
Form 1099-JS
Form 1099-JT
Form 1099-JU
Form 1099-JV
Form 1099-JW
Form 1099-JX
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Form 1099-KX
Form 1099-KY
Form 1099-KZ
Form 1099-LA
Form 1099-LB
Form 1099-LC
Form 1099-LD
Form 1099-LE
Form 1099-LF
Form 1099-LG
Form 1099-LH
Form 1099-LI
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Form 1099-LM
Form 1099-LN
Form 1099-LO
Form 1099-LP
Form 1099-LQ
Form 1099-LR
Form 1099-LS
Form 1099-LT
Form 1099-LU
Form 1099-LV
Form 1099-LW
Form 1099-LX
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Form 1099-MA
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Form 1099-NU
Form 1099-NV
Form 1099-NW
Form 1099-NX
Form 1099-NY
Form 1099-NZ
Form 1099-OA
Form 1099-OB
Form 1099-OC
Form 1099-OD
Form 1099-OE
Form 1099-OF
Form 1099-OG
Form 1099-OH
Form 1099-OI
Form 1099-OJ
Form 1099-OK
Form 1099-OL
Form 1099-OM
Form 1099-ON
Form 1099-OO
Form 1099-OP
Form 1099-OQ
Form 1099-OR
Form 1099-OS
Form 1099-OT
Form 1099-OU
Form 1099-OV
Form 1099-OW
Form 1099-OX
Form 1099-OY
Form 1099-OZ
Form 1099-PA
Form 1099-PB
Form 1099-PC
Form 1099-PD
Form 1099-PE
Form 1099-PF
Form 1099-PG
Form 1099-PH
Form 1099-PI
Form 1099-PJ
Form 1099-PK
Form 1099-PL
Form 1099-PM
Form 1099-PN
Form 1099-PO
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Form 1099-PT
Form 1099-PU
Form 1099-PV
Form 1099-PW
Form 1099-PX
Form 1099-PY
Form 1099-PZ
Form 1099-QA
Form 1099-QB
Form 1099-QC
Form 1099-QD
Form 1099-QE
Form 1099-QF
Form 1099-QG
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Form 1099-SO
Form 1099-SP
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Form 1099-SR
Form 1099-SS
Form 1099-ST
Form 1099-SU
Form 1099-SV
Form 1099-SW
Form 1099-SX
Form 1099-SY
Form 1099-SZ
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Form 1099-TD
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Form 1099-TP
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Form 1099-TX
Form 1099-TY
Form 1099-TZ
Form 1099-UA
Form 1099-UB
Form 1099-UC
Form 1099-UD
Form 1099-UE
Form 1099-UF
Form 1099-UG
Form 1099-UH
Form 1099-UI
Form 1099-UJ
Form 1099-UK
Form 1099-UL
Form 1099-UM
Form 1099-UN
Form 1099-UO
Form 1099-UP
Form 1099-UQ
Form 1099-UR
Form 1099-US
Form 1099-UT
Form 1099-UY
Form 1099-UV
Form 1099-UW
Form 1099-UX
Form 1099-UY
Form 1099-UZ
Form 1099-VA
Form 1099-VB
Form 1099-VC
Form 1099-VD
Form 1099-VE
Form 1099-VF
Form 1099-VG
Form 1099-VH
Form 1099-VI
Form 1099-VJ
Form 1099-VK
Form 1099-VL
Form 1099-VM
Form 1099-VN
Form 1099-VO
Form 1099-VP
Form 1099-VQ
Form 1099-VR
Form 1099-VS
Form 1099-VT
Form 1099-VU
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Form 1099-VW
Form 1099-VX
Form 1099-VY
Form 1099-VZ
Form 1099-WA
Form 1099-WB
Form 1099-WC
Form 1099-WD
Form 1099-WE
Form 1099-WF
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Form 1099-WP
Form 1099-WQ
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Form 1099-WV
Form 1099-WX
Form 1099-WY
Form 1099-WZ
Form 1099-XA
Form 1099-XB
Form 1099-XC
Form 1099-XD
Form 1099-XE
Form 1099-XF
Form 1099-XG
Form 1099-XH
Form 1099-XI
Form 1099-XJ
Form 1099-XK
Form 1099-XL
Form 1099-XM
Form 1099-XN
Form 1099-XO
Form 1099-XP
Form 1099-XQ
Form 1099-XR
Form 1099-XS
Form 1099-XT
Form 1099-XU
Form 1099-XV
Form 1099-XW
Form 1099-XX
Form 1099-XY
Form 1099-XZ
Form 1099-YA
Form 1099-YB
Form 1099-YC
Form 1099-YD
Form 1099-YE
Form 1099-YF
Form 1099-YG
Form 1099-YH
Form 1099-YI
Form 1099-YJ
Form 1099-YK
Form 1099-YL
Form 1099-YM
Form 1099-YN
Form 1099-YO
Form 1099-YP
Form 1099-YQ
Form 1099-YR
Form 1099-YS
Form 1099-YT
Form 1099-YU
Form 1099-YV
Form 1099-YW
Form 1099-YX
Form 1099-YY
Form 1099-YZ
Form 1099-ZA
Form 1099-ZB
Form 1099-ZC
Form 1099-ZD
Form 1099-ZE
Form 1099-ZF
Form 1099-ZG
Form 1099-ZH
Form 1099-ZI
Form 1099-ZJ
Form 1099-ZK
Form 1099-ZL
Form 1099-ZM
Form 1099-ZN
Form 1099-ZO
Form 1099-ZP
Form 1099-ZQ
Form 1099-ZR
Form 1099-ZS
Form 1099-ZT
Form 1099-ZU
Form 1099-ZV
Form 1099-ZW
Form 1099-ZX
Form 1099-ZY
Form 1099-ZZ

Received From Cooperatives. On line 5a show your total distributions from cooperatives. This includes patronage dividends, nonpatronage distributions, per-unit retain allocations, and redemption of nonqualified notices and per-unit retain allocations.

Show patronage dividends received in cash, and the dollar amount of qualified patronage dividends received. Report the fair market value of the property as income. Include cash advances received from a marketing cooperative. If you get per-unit retain in cash, show the amount of cash. If you get qualified per-unit retain in kind, show the stated dollar amount of the certificate.

Do not include as income on line 5b proceeds from the sale of real or tangible personal property, capital assets, or depreciable assets. Enter these amounts on line 5a only. If you do not report patronage dividends from these items as income, you must subtract the amount of the dividend from the cost or other basis of these items.

Lines 6a and 6b

Enter on line 6a the TOTAL of the following amounts. These are government payments you received, usually reported to you on Form 1099-G. You may also receive Form CCC-182 from the Department of Agriculture showing the amounts and types of payments made to you:

- Price support payments
- Overrun payments
- Cost share payments (sight drafts).
- Payments in the form of materials (such as fertilizer or lime) or services (such as grading or building dams)
- Face value of commodity credit certificates (often called "generic" or "PIK" certificates)

On line 6b report only the taxable amount. For example, if you qualify to exclude payments received under certain circumstances (see instructions for line 6b, Pub. 225), do not include these payments on line 6b.

Lines 7a through 7c

Commodity Credit Corporation (CCC) Loans. Generally, you do not report CCC loan proceeds as income. However, if you secure a CCC loan, you may elect to report the loan proceeds as income in the year you receive them, instead of the year you sell the crop. If you make this election (or made the election in a prior year), report loan proceeds you received in 1989 on line 7a and attach a statement to your return showing the details of the loan(s).

If you made the election in a prior year to report loan proceeds as income, you must check the "Yes" box on line E. Otherwise, check "No." See the instructions for line E. What if I Forfeited a CCC Loan? Include the full amount forfeited on line 7b, even if you reported the loan proceeds as income. If you did not elect to report the loan proceeds as income, also include the forfeited amount on line 7c.

If you did elect to report the loan proceeds as income, you generally will not

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have an entry on line 7c. But if the amount forfeited is different from your basis in the commodity, you may have an entry on line 7c.

What if I Repaid a CCC Loan With CCC Certificates? Include on line 7b the amount of any CCC loan you repaid with certificates, even if you reported the loan proceeds as income.

If you did not elect to report the CCC loan proceeds as income, include on line 7c the amount of the loan you repaid with the certificates minus your basis in those certificates. Your basis in certificates is the face value of the certificates you included in income, or the amount you paid for them.

If you did elect to report the loan proceeds as income, do not include the amount of the loan you repaid with the certificates on line 7c.

For more information on the tax consequences of electing to report CCC loan proceeds as income, see the instructions for lines 6a and 6b, and repaying CCC loans with certificates. See Pub. 225.

Lines 8a through 8d

In general, you must report crop insurance proceeds in the year you receive them. However, if you received the proceeds from the Disaster Assistance Act of 1989, like payments received under the Agriculture Act of 1949 (as amended), are treated as crop insurance proceeds. However, if 1989 was the year of damage, you may elect to include these proceeds in income next year. See the instructions for line 8a and 8b, and attach a statement to your return. See Pub. 225 for what you must include in your statement.

Enter on line 8a the TOTAL crop insurance proceeds you received in 1989, even if you elect to include them in income next year.

Enter on line 8b the taxable amount of the proceeds you received in 1989. Do not include proceeds you elect to include in income next year.

Enter on line 8d the amount, if any, of crop insurance proceeds you received in 1989 and elected to include in income in 1989.

Line 9

Enter on this line the income you received for custom hire (machine work).

Line 10

Use this line to report income not shown on lines 1 through 9. For example, include the following income items on line 10:

- Illegal Federal irrigation subsidies, see Pub. 225.
- Barter income
- Income from discharge of indebtedness
- Generally, if a debt is canceled or forgiven, you must include the canceled amount in income. However, certain solvent farmers may exclude from income discharged qualified farm indebtedness. For information on whether you must include in income any discharge of indebtedness, see Pub. 225.
- State gasoline or fuel tax refund you got in 1989

• The amount of credit for Federal tax on gasoline or other fuel claimed on your 1988 Form 1040

• The amount of credit for alcohol used as a fuel that was entered on Form 678.

Report the sale of commodity futures contracts on this line if they were made to protect you from price changes and are in the form of business insurance and are considered hedges. Enter any profit on line 10. If you had a loss in closed futures contracts, show it as a minus amount.

Caution: For property acquired and hedging contracts, keep accurate records of the identity on your books and records that the transaction was a hedging transaction.

Purchase or sales contracts are not true hedges if they offset losses that already occurred. If you bought or sold commodity futures with the hope of making a profit due to favorable price changes, do not report the profit or loss on this line. Report it on Form 678.

Part II**Farm Expenses**

Note: Certain costs must be capitalized if they are: (1) real or tangible personal property, or (2) acquired property held for resale. Special rules apply to the capitalization of interest and certain farm costs. See the instructions for line G for more details.

Do not reduce your deductions on lines 12 through 15 by the preproductive period expenses. Instead, enter the total amount capitalized in parentheses on line 34e. See **Preproductive Period Expenses** under the instructions for lines 34a through 34e on page 44 for more details.

- Do not deduct:
 - Personal or living expenses (such as taxes, insurance, or repairs on your home) that do not produce farm income
 - Expenses of raising anything you or your family used
 - The value of animals you raised that died
 - Loss of inventory.
 - Personal losses
- </

2. Amounts protected against loss by a guarantee, stop-loss agreement, or similar arrangement, or
3. Loans from someone who has an interest in the activity (other than a partner or partner's spouse) who is related, under section 465(b)(3)(C), to a person (other than yourself) having such an interest, or
4. Amounts contributed to the activity, or to your interest in the activity that are covered by

- nonrecourse loans or protected against loss by a guarantee, stop-loss agreement, or similar arrangement, or
- loans from a person described in 3 above

If you do not have any of these kinds of amounts for which you are not at risk in this business, check **Box 37a** and enter your loss on line 36 unless you answered "No" to question 1. In this case, you must complete **Form 5882** to figure your allowable loss to enter on line 36.

If you checked **Box 37b**, get **Form 6198** to determine the amount of your deductible loss and enter that amount on line 36. But if you answered "No" to Question F, your loss may be further limited. See **Form 5882**. If your at-risk amount is zero or less, enter zero on line 36. Be sure to attach **Form 5198** to your return. If you checked **Box 37a** and you fail to attach **Form 6198**, the reporting of your tax return may be delayed.

If, on Schedule F, the amount that you report on Schedule F, you sell or otherwise dispose of an asset used in an activity to which the at-risk rules apply and you have amounts in the activity for which you are not at risk, see the instructions for **Form 6198**.

Any loss from this activity not allowed for 1989 because of the at-risk rules is treated as a deduction allocable to the activity in 1990.

For more details, get **Pub. 925**, *Passive Activity and At-Risk Rules*. Also see the instructions for **Form 6198**.

Part III Farm Income—Accrual Method

If you use the accrual method, report farm income when you earn it, not when you receive it. Generally, you must inventory your animals and crops if you use this method. Get **Pub. 538**, *Accounting Periods and Methods*, for exceptions, inventory methods, how to change methods of accounting, and for rules that require certain costs to be capitalized or included in inventory.

Line 38

Enter the amount you got from the sales of livestock, produce, grains, and other products you raised.

Lines 39a through 44

See instructions for Part I, lines 5a–7c, 9, and 10.

Note: If you use certain highway trucks, truck trailers, tractor trailers, or buses in your farming business, you may be eligible for a depreciation election. See **Form 2290**, *Heavy Vehicle Use Tax Return*, to see if you owe this tax.

Preproductive Period Expenses: Enter in parentheses on line 34e, preproductive period expenses that are capitalized. If you had preproductive period expenses in 1989 and you checked the "No" box on line G of Schedule F because you decided to capitalize these expenses, you MUST enter the amount of these expenses on line 34e and write "263A" in the space to the left of the total.

You should not have a "263A" entry on line 34e if any of the following applies:

- You checked the "No" box on line G, but did not have any preproductive period expenses in 1989.
- You made the election on line G to currently deduct your preproductive period expenses (you checked the "Yes" box), or
- You checked the "Does Not Apply" box on line G.

If you entered an amount in parentheses on line 34e because you have preproductive period expenses you are capitalizing, subtract the amount on line 34e from the total of lines 32 through 34d. Enter the result on line 35.

For more information, see the instructions for line G and **Pub. 225**.

Line 36

If you have a loss, the amount of loss you can deduct this year may be limited. Go on lines 37a and 37b before entering your loss on line 36. If you answered "No" to question 1 on **Form 5882**, also see **Form 5882** and the instructions for lines 19 and 36. Partnerships should stop here and enter the profit or loss on this line and on **Form 1065**, line 5.

Lines 37a and 37b

At-Risk Rules
Deductions for losses by persons who are engaged in a trade or business or an activity for the production of income, including the holding of real property, are limited to the amount they have at risk in the business.

If (1) you have a loss from any farming activity that you engaged in as a trade or business or for the production of income, and (2) you have amounts for which you are not at risk in the activity, use **Form 6198**, *At-Risk Limitations*, to determine the allowable loss.

Check **Box 37b** if you have amounts for which you are not at risk for this farm, such as the following:

1. Nonrecourse loans used to finance the activity, to acquire property used in the activity, or to acquire your interest in the activity, unless they are secured by property not used in the activity or by certain real property, or

- State and local sales taxes (treat them as part of the cost of the property).
- Other taxes not related to the farm business.

Line 32

Enter what you paid for gas, electricity, water, etc., for business use on the farm. Do not include personal utilities.

Beginning in 1989, if you use your home phone for business, you cannot deduct the base rate (including taxes) of the first telephone line into your residence. It is a nondeductible personal expense.

Lines 34a through 34e

Enter expenses not listed on another line, such as:

- Office supplies
- Advertising
- Any loss from this activity that was not allowed as a deduction last year because of the at-risk rules. This is treated as a deduction allocable to this activity in 1989.
- Amortization of qualifying forestation and reforestation costs over an 84-month period.
- Amortization of certain business startup costs over a period of at least 60 months.

Use **Form 4562** to figure your amortization deduction. Include on line 34 of Schedule F the amount of the deduction from **Form 4562**, Part II. For more information on amortization, see the instructions for line G and **Pub. 535**.

Bad debts include debts and partial debts that are definitely known to be worthless. **Caution:** Cash method taxpayers cannot take a bad debt deduction unless the amount was previously included in income.

If you later collect a debt that you deducted as a bad debt, include it as income in the year you collect it.

Note: If you used the reserve method prior to 1987 to figure your bad debts, any balance you carry over must be included in your income as taxable income.

For more details, see **Pub. 535**.

- Car and truck expenses. You can deduct the actual costs of your car or truck, or take the standard mileage rate.

Note: If you claim any car or truck expenses (actual costs or the standard mileage rate), you must complete **Part III** of **Form 4562**.

The standard rate is 25½ cents a mile up to 15,000 miles for 1989, and 11 cents a mile for each mile after that. If you use more than one vehicle for business, you must use the actual cost. If you use the vehicle for both personal and farm purposes, you must prorate the miles (or costs) that apply to each.

Farm vehicles that have been fully depreciated, the rate is 11 cents a mile. If you use the standard rate, the vehicle is considered to have a useful life of 60,000 miles of business use at the maximum standard mileage rate.

For details, get **Pub. 917**, *Business Use of a Car*.

statement to your return explaining the difference and write "See attached" in the left margin next to line 23a.

If you and at least one other person (other than your spouse) owned and paid interest on the mortgage and had interest on the **Form 1098**, report the interest on line 23b. Attach a statement to your return showing the name and address of the person who received the **Form 1098**. In the left margin, next to line 23b, write "See attached."

On line 23b, enter the interest on other loans related to this farm. Do not deduct interest on any property you purchased in 1989. Include only the part that applies to 1989.

Line 24

Enter amounts you paid for farm labor less the amount of any jobs credit you claimed on **Form 5884**, Get **Pub. 572**, *General Business Credit*, for information on the jobs credit.

Count the cost of boarding farm labor but not the cost of producing what you paid for the labor. Do not include what you paid household help to care for your own or your family's labor.

Caution: If you provided taxable fringe benefits to your employees, such as personal use of a car, do not include in farm labor the amounts you depreciated or deducted elsewhere.

Line 25

Enter what you paid to pension, profit-sharing, or annuity plans for your employees. If the plan included you as an owner-employee, see the instructions for Schedule C, line 20. Enter the amount you paid for yourself on **Form 1040**, line 27.

Lines 26a and 26b

Enter on line 26a what you paid to rent or lease machinery and equipment. Enter on line 26b amounts paid to rent or lease other items, such as pasture or farm land.

Line 27

Enter what you paid for repairs and upkeep on farm buildings, machinery, and equipment. You can also include what you paid for tools of short life or small cost, such as shovels and rakes.

Do not deduct repairs or upkeep on your home.

Line 31

You may deduct the following taxes:

- Real estate and personal property taxes on farm business assets.
- Social security taxes you paid to match what you are required to withhold from farm employees' wages and any Federal unemployment tax paid.
- Federal highway use tax.

Do not deduct:

- Federal income taxes.
- Estate and gift taxes.
- Taxes assessed for improvements, such as paving and sewers.
- Taxes on your home or personal property.

For details, see the instructions for **Form 1040**, line 23a.

Line 17

Enter any amounts you paid to programs for your employees that are not a part of the plans on line 25. Examples are insurance, health, and welfare programs. Do not include here amounts paid for yourself or your family.

Line 18

Generally, you cannot currently deduct expenses for feed to be consumed by your livestock in a later tax year. See **Prepaid Farming Expenses**, earlier.

Line 20

Do not include as freight paid the cost of transportation incurred in purchasing livestock held for resale. Instead, add these costs to the cost of the livestock, and deduct them when the livestock are sold.

Line 22

Enter only the amount of premiums for life, fire, theft, and other insurance on your farm business assets. Do not include insurance on personal assets. Do not include health, or disability insurance on yourself or your family.

Note: You may be able to deduct part of the amount paid for health insurance for you and your family even if you don't itemize your deductions. See the instructions for **Form 1040**, line 26.

Lines 23a and 23b

Interest Allocation Rules. The tax treatment of interest depends on the type of property and investment interest are all treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted on the right place of your return and gets the right tax treatment. These rules could affect how much interest you deduct on Schedule F.

Generally, you allocate interest expense by the type of property or investment interest used. Get **Pub. 543**, *Business Expenses*, and **Pub. 545**, *Interest Expense*, for details.

If you paid interest on a debt secured by your main home, and any of the proceeds from that debt were used in your farming business, see **Pub. 545** to figure the amount that is deductible on Schedule F.

If you have a mortgage on your real property used in your farming business (other than your main home), enter on line 23a the interest you paid for 1989 to banks or other financial institutions.

Note: The recipient was not a financial institution. If you have a mortgage interest on line 23b, report your mortgage interest on line 23b.

If you paid \$600 or more of interest on this mortgage, you should receive **Form 1098**, *Mortgage Interest Statement*. It shows the total interest received from you during 1989. You should receive this statement by January 31, 1990. If you paid more mortgage interest to banks or other financial institutions, you should receive a similar statement. See **Pub. 545** to see if you can deduct the additional interest. If you can, enter the amount on line 23a. Attach a

the area in which your property is located. If no plan exists, the expenses must be consistent with a plan of a comparable state agency. If you must use a comparable state plan, attach a copy of the plan to your return.

Do not deduct expenses you pay or incur to drain or fill wetlands or to prepare land to center pivot irrigation systems.

Do not deduct more than 25% of your gross income from farming (excluding certain gains from selling assets such as farm machinery and land). If your conservation expenses are more than the limit, carry the excess over to following years. Attach a copy of the original **Form 8000** to your return for each carryover year you claim the deduction.

Line 15

Enter amounts paid for custom hire or machine work (the machine operator furnished the equipment). Do not include amounts paid for rental or lease of equipment that you operated yourself. Report those amounts on line 26b.

Line 16

You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment of a permanent nature.

Do not deduct depreciation on your home, furniture, or other personal items, land, livestock you bought or raised for resale, or other property in your inventory.

You may also choose under section 179 to expense a portion of the cost of certain depreciable property you bought in 1989 for depreciation deduction, including the section 179 expense deduction, on **Form 4562**, *Depreciation and Amortization*. Enter on line 16 of Schedule F the amount from **Form 4562**, Part I.

The depreciation deduction for cars, including any section 179 deduction, is limited. For example, if you used your car 100% for business and placed the car in service in 1989, your deduction is limited to \$2,000. If you used the car for less than 100%, in general, for cars or other "listed property," you may not take a section 179 deduction if the property is used 50% or less in your trade or business. If you claim depreciation for any listed property, you must complete Part III of **Form 4562**. See the instructions for **Form 4562** and **Pub. 534**, *Depreciation*, for details.

If you have listed property (such as a car or light truck) that you placed in service on or after August 18, 1989, you must use a depreciation deduction, and the business use percentage of the property decreased to 50% or less during 1989, you may have to recapture excess depreciation. Get **Form 4797** and its instructions for details.

If you took an investment credit on property that you disposed of before the end of its class life or life years, or the business use percentage decreases, or the property is sold at a loss, you may have to recapture the credit. Get **Form 4255**, *Recapture of Investment Credit*, for details.

For details, see the instructions for **Form 1040**, line 23a.

1989 Tax Table

Use if your taxable income is less than \$50,000. If \$50,000 or more, use the Tax Rate Schedules.

Example: Mr. and Mrs. Brown are filing a joint return. Their taxable income on line 37 of Form 1040 is \$25,300. First, they find the \$25,300-\$25,350 income line. Next, they find the column where the married filing jointly and read down the column. The amount shown where the income line and filing status column meet is \$3,759. This is the tax amount they must write on line 38 of their return.

If line 37 (taxable income) is—				And you are—				If line 37 (taxable income) is—				And you are—			
At least	But less than	Single	Married filing jointly	Head of household	Married filing jointly	Single	Married filing jointly	At least	But less than	Single	Married filing jointly	At least	But less than	Single	Married filing jointly
50	55	50	2	50	2	2,725	212	2,725	212	2,725	212	2,725	212	407	407
55	60	55	2	55	2	2,750	216	2,750	216	2,750	216	2,750	216	411	411
60	65	60	3	60	3	2,775	223	2,775	223	2,775	223	2,775	223	418	418
65	70	65	9	65	9	2,800	227	2,800	227	2,800	227	2,800	227	422	422
70	75	70	13	70	13	2,825	231	2,825	231	2,825	231	2,825	231	426	426
75	80	75	17	75	17	2,850	234	2,850	234	2,850	234	2,850	234	429	429
80	85	80	21	80	21	2,875	238	2,875	238	2,875	238	2,875	238	433	433
85	90	85	28	85	28	2,900	242	2,900	242	2,900	242	2,900	242	437	437
90	95	90	32	90	32	2,925	246	2,925	246	2,925	246	2,925	246	441	441
95	100	95	36	95	36	2,950	253	2,950	253	2,950	253	2,950	253	448	448
100	105	100	39	100	39	2,975	257	2,975	257	2,975	257	2,975	257	454	454
105	110	105	43	105	43	3,000	261	3,000	261	3,000	261	3,000	261	461	461
110	115	110	47	110	47	3,025	268	3,025	268	3,025	268	3,025	268	467	467
115	120	115	51	115	51	3,050	272	3,050	272	3,050	272	3,050	272	476	476
120	125	120	58	120	58	3,075	276	3,075	276	3,075	276	3,075	276	484	484
125	130	125	62	125	62	3,100	279	3,100	279	3,100	279	3,100	279	491	491
130	135	130	66	130	66	3,125	283	3,125	283	3,125	283	3,125	283	498	498
135	140	135	69	135	69	3,150	287	3,150	287	3,150	287	3,150	287	504	504
140	145	140	73	140	73	3,175	291	3,175	291	3,175	291	3,175	291	511	511
145	150	145	77	145	77	3,200	294	3,200	294	3,200	294	3,200	294	518	518
150	155	150	81	150	81	3,225	298	3,225	298	3,225	298	3,225	298	525	525
155	160	155	86	155	86	3,250	302	3,250	302	3,250	302	3,250	302	532	532
160	165	160	92	160	92	3,275	306	3,275	306	3,275	306	3,275	306	539	539
165	170	165	96	165	96	3,300	310	3,300	310	3,300	310	3,300	310	544	544
170	175	170	99	170	99	3,325	313	3,325	313	3,325	313	3,325	313	551	551
175	180	175	103	175	103	3,350	317	3,350	317	3,350	317	3,350	317	559	559
180	185	180	107	180	107	3,375	320	3,375	320	3,375	320	3,375	320	566	566
185	190	185	111	185	111	3,400	324	3,400	324	3,400	324	3,400	324	574	574
190	195	190	116	190	116	3,425	328	3,425	328	3,425	328	3,425	328	581	581
195	200	195	120	195	120	3,450	332	3,450	332	3,450	332	3,450	332	589	589
200	205	200	122	200	122	3,475	336	3,475	336	3,475	336	3,475	336	596	596
205	210	205	126	205	126	3,500	340	3,500	340	3,500	340	3,500	340	604	604
210	215	210	129	210	129	3,525	344	3,525	344	3,525	344	3,525	344	613	613
215	220	215	133	215	133	3,550	348	3,550	348	3,550	348	3,550	348	626	626
220	225	220	137	220	137	3,575	352	3,575	352	3,575	352	3,575	352	634	634
225	230	225	141	225	141	3,600	356	3,600	356	3,600	356	3,600	356	641	641
230	235	230	144	230	144	3,625	360	3,625	360	3,625	360	3,625	360	649	649
235	240	235	148	235	148	3,650	364	3,650	364	3,650	364	3,650	364	656	656
240	245	240	152	240	152	3,675	368	3,675	368	3,675	368	3,675	368	666	666
245	250	245	156	245	156	3,700	372	3,700	372	3,700	372	3,700	372	671	671
250	255	250	160	250	160	3,725	376	3,725	376	3,725	376	3,725	376	679	679
255	260	255	163	255	163	3,750	380	3,750	380	3,750	380	3,750	380	686	686
260	265	260	167	260	167	3,775	384	3,775	384	3,775	384	3,775	384	694	694
265	270	265	171	265	171	3,800	388	3,800	388	3,800	388	3,800	388	701	701
270	275	270	174	270	174	3,825	392	3,825	392	3,825	392	3,825	392	709	709
275	280	275	178	275	178	3,850	396	3,850	396	3,850	396	3,850	396	716	716
280	285	280	182	280	182	3,875	400	3,875	400	3,875	400	3,875	400	724	724
285	290	285	186	285	186	3,900	404	3,900	404	3,900	404	3,900	404	731	731
290	295	290	190	290	190	3,925	408	3,925	408	3,925	408	3,925	408	739	739
295	300	295	193	295	193	3,950	412	3,950	412	3,950	412	3,950	412	746	746
300	305	300	197	300	197	3,975	416	3,975	416	3,975	416	3,975	416	753	753
305	310	305	201	305	201	4,000	420	4,000	420	4,000	420	4,000	420	761	761
310	315	310	204	310	204	4,025	424	4,025	424	4,025	424	4,025	424	768	768
315	320	315	208	315	208	4,050	428	4,050	428	4,050	428	4,050	428	776	776
320	325	320	212	320	212	4,075	432	4,075	432	4,075	432	4,075	432	784	784
325	330	325	216	325	216	4,100	436	4,100	436	4,100	436	4,100	436	792	792
330	335	330	220	330	220	4,125	440	4,125	440	4,125	440	4,125	440	800	800
335	340	335	224	335	224	4,150	444	4,150	444	4,150	444	4,150	444	808	808
340	345	340	228	340	228	4,175	448	4,175	448	4,175	448	4,175	448	816	816
345	350	345	232	345	232	4,200	452	4,200	452	4,200	452	4,200	452	824	824
350	355	350	236	350	236	4,225	456	4,225	456	4,225	456	4,225	456	832	832
355	360	355	240	355	240	4,250	460	4,250	460	4,250	460	4,250	460	840	840
360	365	360	244	360	244	4,275	464	4,275	464	4,275	464	4,275	464	848	848
365	370	365	248	365	248	4,300	468	4,300	468	4,300	468	4,300	468	856	856
370	375	370	252	370	252	4,325	472	4,325	472	4,325	472	4,325	472	864	864
375	380	375	256	375	256	4,350	476	4,350	476	4,350	476	4,350	476	872	872
380	385	380	260	380	260	4,375	480	4,375	480	4,375	480	4,375	480	880	880
385	390	385	264	385	264	4,400	484	4,400	484	4,400	484	4,400	484	888	888
390	395	390	268	390	268	4,425	488	4,425	488	4,425	488	4,425	488	896	896
395	400	395	272	395	272	4,450	492	4,450	492	4,450	492	4,450	492	904	904
400	405	400	276	400	276	4,475	496	4,475	496	4,475	496	4,475	496	912	912
405	410	405	280	405	280	4,500	500	4,500	500	4,500	500	4,500	500	920	920
410	415	410	284	410	284	4,525	504	4,525	504	4,525	504	4,525	504	928	928
415	420	415	288	415	288	4,550	508	4,550	508	4,550	508	4,550	508	936	936
420	425	420	292	420	292	4,575	512	4,575	512	4,575	512	4,575	512	944	944
425	430	425	296	425	296	4,600	516	4,600	516	4,600	516	4,600	516	952	952
430	435	430	300	430	300	4,625	520	4,625	520	4,625	520	4,625	520	960	960
435	440	435	304	435	304	4,650	524	4,650	524	4,650	524	4,650	524	968	968
440	445	440	308	440	308	4,675	528	4,675	528	4,675	528	4,675	528	976	976
445	450	445	312	445	312	4,700	532	4,700	532	4,700	532	4,700	532	984	984
450	455	450	316	450	316	4,725	536	4,725	536	4,725	536	4,725	536	992	992
455	460	455	320	455	320	4,750	540	4,750	540	4,750	540	4,750	540	1,000	1,000
460	465	460	324	460	324	4,775	544	4,775	544	4,775	544	4,775	544	1,008	1,008
465	470	465	328	465											

1989 Tax Table—Continued

[illegible]

This column must also be used by a qualifying widow(er)

1989 Tax Table—Continued

If line 37 (taxable income) is—	And you are—				If line 37 (taxable income) is—	And you are—			
	Single	Married jointly	Married sep. rate	Head of household		Single	Married jointly	Married sep. rate	Head of household
32,000	35,000	38,000	41,000	44,000	47,000	50,000	53,000	56,000	59,000
32,000 32,060 32,120 32,180 32,240 32,300 32,360 32,420 32,480 32,540 32,600 32,660 32,720 32,780 32,840 32,900 32,960 33,020 33,080 33,140 33,200 33,260 33,320 33,380 33,440 33,500 33,560 33,620 33,680 33,740 33,800 33,860 33,920 33,980 34,040 34,100 34,160 34,220 34,280 34,340 34,400 34,460 34,520 34,580 34,640 34,700 34,760 34,820 34,880 34,940 35,000 35,060 35,120 35,180 35,240 35,300 35,360 35,420 35,480 35,540 35,600 35,660 35,720 35,780 35,840 35,900 35,960 36,020 36,080 36,140 36,200 36,260 36,320 36,380 36,440 36,500 36,560 36,620 36,680 36,740 36,800 36,860 36,920 36,980 37,040 37,100 37,160 37,220 37,280 37,340 37,400 37,460 37,520 37,580 37,640 37,700 37,760 37,820 37,880 37,940 38,000 38,060 38,120 38,180 38,240 38,300 38,360 38,420 38,480 38,540 38,600 38,660 38,720 38,780 38,840 38,900 38,960 39,020 39,080 39,140 39,200 39,260 39,320 39,380 39,440 39,500 39,560 39,620 39,680 39,740 39,800 39,860 39,920 39,980 40,040 40,100 40,160 40,220 40,280 40,340 40,400 40,460 40,520 40,580 40,640 40,700 40,760 40,820 40,880 40,940 41,000 41,060 41,120 41,180 41,240 41,300 41,360 41,420 41,480 41,540 41,600 41,660 41,720 41,780 41,840 41,900 41,960 42,020 42,080 42,140 42,200 42,260 42,320 42,380 42,440 42,500 42,560 42,620 42,680 42,740 42,800 42,860 42,920 42,980 43,040 43,100 43,160 43,220 43,280 43,340 43,400 43,460 43,520 43,580 43,640 43,700 43,760 43,820 43,880 43,940 44,000 44,060 44,120 44,180 44,240 44,300 44,360 44,420 44,480 44,540 44,600 44,660 44,720 44,780 44,840 44,900 44,960 45,020 45,080 45,140 45,200 45,260 45,320 45,380 45,440 45,500 45,560 45,620 45,680 45,740 45,800 45,860 45,920 45,980 46,040 46,100 46,160 46,220 46,280 46,340 46,400 46,460 46,520 46,580 46,640 46,700 46,760 46,820 46,880 46,940 47,000 47,060 47,120 47,180 47,240 47,300 47,360 47,420 47,480 47,540 47,600 47,660 47,720 47,780 47,840 47,900 47,960 48,020 48,080 48,140 48,200 48,260 48,320 48,380 48,440 48,500 48,560 48,620 48,680 48,740 48,800 48,860 48,920 48,980 49,040 49,100 49,160 49,220 49,280 49,340 49,400 49,460 49,520 49,580 49,640 49,700 49,760 49,820 49,880 49,940 50,000	6,555 6,564 6,573 6,582 6,591 6,600 6,609 6,618 6,627 6,636 6,645 6,654 6,663 6,672 6,681 6,690 6,699 6,708 6,717 6,726 6,735 6,744 6,753 6,762 6,771 6,780 6,789 6,798 6,807 6,816 6,825 6,834 6,843 6,852 6,861 6,870 6,879 6,888 6,897 6,906 6,915 6,924 6,933 6,942 6,951 6,960 6,969 6,978 6,987 6,996 7,005 7,014 7,023 7,032 7,041 7,050 7,059 7,068 7,077 7,086 7,095 7,104 7,113 7,122 7,131 7,140 7,149 7,158 7,167 7,176 7,185 7,194 7,203 7,212 7,221 7,230 7,239 7,248 7,257 7,266 7,275 7,284 7,293 7,302 7,311 7,320 7,329 7,338 7,347 7,356 7,365 7,374 7,383 7,392 7,401 7,410 7,419 7,428 7,437 7,446 7,455 7,464 7,473 7,482 7,491 7,500 7,509 7,518 7,527 7,536 7,545 7,554 7,563 7,572 7,581 7,590 7,599 7,608 7,617 7,626 7,635 7,644 7,653 7,662 7,671 7,680 7,689 7,698 7,707 7,716 7,725 7,734 7,743 7,752 7,761 7,770 7,779 7,788 7,797 7,806 7,815 7,824 7,833 7,842 7,851 7,860 7,869 7,878 7,887 7,896 7,905 7,914 7,923 7,932 7,941 7,950 7,959 7,968 7,977 7,986 7,995 8,004 8,013 8,022 8,031 8,040 8,049 8,058 8,067 8,076 8,085 8,094 8,103 8,112 8,121 8,130 8,139 8,148 8,157 8,166 8,175 8,184 8,193 8,202 8,211 8,220 8,229 8,238 8,247 8,256 8,265 8,274 8,283 8,292 8,301 8,310 8,319 8,328 8,337 8,346 8,355 8,364 8,373 8,382 8,391 8,400 8,409 8,418 8,427 8,436 8,445 8,454 8,463 8,472 8,481 8,490 8,499 8,508 8,517 8,526 8,535 8,544 8,553 8,562 8,571 8,580 8,589 8,598 8,607 8,616 8,625 8,634 8,643 8,652 8,661 8,670 8,679 8,688 8,697 8,706 8,715 8,724 8,733 8,742 8,751 8,760 8,769 8,778 8,787 8,796 8,805 8,814 8,823 8,832 8,841 8,850 8,859 8,868 8,877 8,886 8,895 8,904 8,913 8,922 8,931 8,940 8,949 8,958 8,967 8,976 8,985 8,994 9,003 9,012 9,021 9,030 9,039 9,048 9,057 9,066 9,075 9,084 9,093 9,102 9,111 9,120 9,129 9,138 9,147 9,156 9,165 9,174 9,183 9,192 9,201 9,210 9,219 9,228 9,237 9,246 9,255 9,264 9,273 9,282 9,291 9,300 9,309 9,318 9,327 9,336 9,345 9,354 9,363 9,372 9,381 9,390 9,399 9,408 9,417 9,426 9,435 9,444 9,453 9,462 9,471 9,480 9,489 9,498 9,507 9,516 9,525 9,534 9,543 9,552 9,561 9,570 9,579 9,588 9,597 9,606 9,615 9,624 9,633 9,642 9,651 9,660 9,669 9,678 9,687 9,696 9,705 9,714 9,723 9,732 9,741 9,750 9,759 9,768 9,777 9,786 9,795 9,804 9,813 9,822 9,831 9,840 9,849 9,858 9,867 9,876 9,885 9,894 9,903 9,912 9,921 9,930 9,939 9,948 9,957 9,966 9,975 9,984 9,993 10,002 10,011 10,020 10,029 10,038 10,047 10,056 10,065 10,074 10,083 10,092 10,101 10,110 10,119 10,128 10,137 10,146 10,155 10,164 10,173 10,182 10,191 10,200 10,209 10,218 10,227 10,236 10,245 10,254 10,263 10,272 10,281 10,290 10,299 10,308 10,317 10,326 10,335 10,344 10,353 10,362 10,371 10,380 10,389 10,398 10,407 10,416 10,425 10,434 10,443 10,452 10,461 10,470 10,479 10,488 10,497 10,506 10,515 10,524 10,533 10,542 10,551 10,560 10,569 10,578 10,587 10,596 10,605 10,614 10,623 10,632 10,641 10,650 10,659 10,668 10,677 10,686 10,695 10,704 10,713 10,722 10,731 10,740 10,749 10,758 10,767 10,776 10,785 10,794 10,803 10,812 10,821 10,830 10,839 10,848 10,857 10,866 10,875 10,884 10,893 10,902 10,911 10,920 10,929 10,938 10,947 10,956 10,965 10,974 10,983 10,992 11,001 11,010 11,019 11,028 11,037 11,046 11,055 11,064 11,073 11,082 11,091 11,100 11,109 11,118 11,127 11,136 11,145 11,154 11,163 11,172 11,181 11,190 11,199 11,208 11,217 11,226 11,235 11,244 11,253 11,262 11,271 11,280 11,289 11,298 11,307 11,316 11,325 11,334 11,343 11,352 11,361 11,370 11,379 11,388 11,397 11,406 11,415 11,424 11,433 11,442 11,451 11,460 11,469 11,478 11,487 11,496 11,505 11,514 11,523 11,532 11,541 11,550 11,559 11,568 11,577 11,586 11,595 11,604 11,613 11,622 11,631 11,640 11,649 11,658 11,667 11,676 11,685 11,694 11,703 11,712 11,721 11,730 11,739 11,748 11,757 11,766 11,775 11,784 11,793 11,802 11,811 11,820 11,829 11,838 11,847 11,856 11,865 11,874 11,883 11,892 11,901 11,910 11,919 11,928 11,937 11,946 11,955 11,964 11,973 11,982 11,991 12,000 12,009 12,018 12,027 12,036 12,045 12,054 12,063 12,072 12,081 12,090 12,099 12,108 12,117 12,126 12,135 12,144 12,153 12,162 12,171 12,180 12,189 12,198 12,207 12,216 12,225 12,234 12,243 12,252 12,261 12,270 12,279 12,288 12,297 12,306 12,315 12,324 12,333 12,342 12,351 12,360 12,369 12,378 12,387 12,396 12,405 12,414 12,423 12,432 12,441 12,450 12,459 12,468 12,477 12,486 12,495 12,504 12,513 12,522 12,531 12,540 12,549 12,558 12,567 12,576 12,585 12,594 12,603 12,612 12,621 12,630 12,639 12,648 12,657 12,666 12,675 12,684 12,693 12,702 12,711 12,720 12,729 12,738 12,747 12,756 12,765 12,774 12,783 12,792 12,801 12,810 12,819 12,828 12,837 12,846 12,855 12,864 12,873 12,882 12,891 12,900 12,909 12,918 12,927 12,936 12,945 12,954 12,963 12,972 12,981 12,990 13,000 13,009 13,018 13,027 13,036 13,045 13,054 13,063 13,072 13,081 13,090 13,099 13,108 13,117 13,126 13,135 13,144 13,153 13,162 13,171 13,180 13,189 13,198 13,207 13,216 13,225 13,234 13,243 13,252 13,261 13,270 13,279 13,288 13,297 13,306 13,315 13,324 13,333 13,342 13,351 13,360 13,369 13,378 13,387 13,396 13,405 13,414 13,423 13,432 13,441 13,450 13,459 13,468 13,477 13,486 13,495 13,504 13,513 13,522 13,531 13,540 13,549 13,558 13,567 13,576 13,585 13,594 13,603 13,612 13,621 13,630 13,639 13,648 13,657 13,666 13,675 13,684 13,693 13,702 13,711 13,720 13,729 13,738 13,747 13,756 13,765 13,774 13,783 13,792 13,801 13,810 13,819 13,828 13,837 13,846 13,855 13,864 13,873 13,882 13,891 13,900 13,909 13,918 13,927 13,936 13,945 13,954 13,963 13,972 13,981 13,990 14,000 14,009 14,018 14,027 14,036 14,045 14,054 14,063 14,072 14,081 14,090 14,099 14,108 14,117 14,126 14,135 14,144 14,153 14,162 14,171 14,180 14,189 14,198 14,207 14,216 14,225 14,234 14,243 14,252 14,261 14,270 14,279 14,288 14,297 14,306 14,315 14,324 14,333 14,342 14,351 14,360 14,369 14,378 14,387 14,396 14,405 14,414 14,423 14,432 14,441 14,450 14,459 14,468 14,477 14,486 14,495 14,504 14,513 14,522 14,531 14,540 14,549 14,558 14,567 14,576 14,585 14,594 14,603 14,612 14,621 14,630 14,639 14,648 14,657 14,666 14,675 14,684 14,693 14,702 14,711 14,720 14,729 14,738 14,747 14,756 14,765 14,774 14,783 14,792 14,801 14,810 14,819 14,828 14,837 14,846 14,855 14,864 14,873 14,882 14,891 14,900 14,909 14,918 14,927 14,936 14,945 14,954 14,963 14,972 14,981 14,990 15,000 15,009 15,018 15,027 15,036 15,045 15,054 15,063 15,072 15,081 15,090 15,099 15,108 15,117 15,126 15,135 15,144 15,153 15,162 15,171 15,180 15,189 15,198 15,207 15,216 15,225 15,234 15,243 15,252 15,261 15,270 15,279 15,288 15,297 15,306 15,315 15,324 15,333 15,342 15,351 15,360 15,369 15,378 15,387 15,396 15,405 15,414 15,423 15,432 15,441 15,450 15,459 15,468 15,477 15,486 15,495 15,504 15,513 15,522 15,531 15,540 15,549 15,558 15,567 15,576 15,585 15,594 15,603 15,612 15,621 15,630 15,639 15,648 15,657 15,666 15,675 15,684 15,693 15,702 15,711 15,720 15,729 15,738 15,747 15,756 15,765 15,774 15,783 15,792 15,801 15,810 15,819 15,828 15,837 15,846 15,855 15,864 15,873 15,882 15,891 15,900 15,909 15,918 15,927 15,936 15,945 15,954 15,963 15,972 15,981 15,990 16,000 16,009 16,018 16,027 16,036 16,045 16,054 16,063 16,072 16,081 16,090 16,099 16,108 16,117 16,126 16,135 16,144 16,153 16,162 16,171 16,180 16,189 16,198 16,207 16,216 16,225 16,234 16,243 16,252 16,261 16,270 16,279 16,288 16,297 16,306 16,315 16,324 16,333 16,342 16,351 16,360 16,369 16,378 16,387 16,396 16,405 16,414 16,423 16,432 16,441 16,450 16,459 16,468 16,477 16,486 16,495 16,504 16,513 16,522 16,531 16,540 16,549 16,558 16,567 16,576 16,585 16,594 16,603 16,612 16,621 16,630 16,639 16,648 16,657 16,666 16,675 16,684 16,693 16,702 16,711 16,720 16,729 16,738 16,747 16,756 16,765 16,774 16,783 16,792 16,801 16,810 16,819 16,828 16,837 16,846 16,855 16,864 16,873 16,882 16,891 16,900 16,909 16,918 16,927 16,936 16,945 16,954 16,963 16,972 16,981 16,990 17,000 17,009 17,018 17,027 17,036 17,045 17,054 17,063 17,072 17,081 17,090 17,099 17,108 17,117 17,126 17,135 17,144 17,153 17,162 17,171 17,180 17,189 17,198 17,207 17,216 17,225 17,234 17,243 17,252 17,261 17,270 17,279 17,288 17,297 17,306 17,315 17,324 17,333 17,342 17,351 17,360 17,369 17,378 17,387 17,396 17,405 17,414 17,423 17,432 17,441 17,450 17,459 17,468 17,477 17,486 17,495 17,504 17,513 17,522 17,531 17,540 17,549 17,558 17,567 17,576 17,585 17,594 17,603 17,612 17,621 17,630 17,639 17,648 17,657 17,666 17,675 17,684 17,693 17,702 17,711 17,720 17,729 17,738 17,747 17,756 17,765 17,774 17,783 17,792 17,801 17,810 17,819 17,828 17,837 17,846 17,855 17,864 17,873 17,882 17,891 17,900 17,909 17,918 17,927 17,936 17,945 17,954 17,963 17,972 17,981 17,990 18,000 18,009 18,018 18,027 18,036 18,045 18,054 18,063 18,072 18,081 18,090 18,099 18,108 18,117 18,126 18,135 18,144 18,153 18,162 18,171 18,180 18,189 18,198 18,207 18,216 18,225 18,234 18,243 18,252 18,261 18,270 18,279 18,288 18,297 18,306 18,315 18,324 18,333 18,342 18,351 18,360 18,369 18,378 18,387 18,396 18,405 18,414 18,423 18,432 18,441 18,450 18,459 18,468 18,477 18,486 18,495 18,504 18,513 18,522 18,531 18,540 18,549 18,558 18,567 18,576 18,585 18,594 18,603 18,612 18,621 18,630 18,639 18,648 18,657 18,666 18,675 18,684 18,693 18,702 18,711 18,720 18,729 18,738 18,747 18,756 18,765 18,774 18,783 18,792 18,801 18,810 18,819 18,828 18,837 18,846 18,855 18,864 18,873 18,882 18,891 18,900 18,909 18,918 18,927 18,936 18,945 18,954 18,963 18,972 18,981 18,990 19,000 19,009 19,018 19,027 19,036 19,045 19,054 19,063 19,072 19,081 19,090 19,099 19,108 19,117 19,126 19,135 19,144 19,153 19,162 19,171 19,180 19,189 19,198 19,207 19,216 19,225 19,234 19,243 19,252 19,261 19,270 19,279 19,288 19,297 19,306 19,315 19,324 19,333 19,342 19,351 19,360 19,369 19,378 19,387 19,396 19,405 19,414 19,423 19,432 19,441 19,450 19,459 19,468 19,477 19,486 19,495 19,504 19,513 19,522 19,531 19,540 19,549 19,558 19,567 19,576 19,585 19,594 19,603 19,612 19,621								

1989 Tax Rate Schedules

Caution: Use ONLY if your taxable income (Form 1040, line 37) is \$50,000 or more. If less, use the Tax Table.

Schedule X—Use if your filing status is Single			Schedule Z—Use if your filing status is Head of household		
If the amount on Form 1040, line 37 is	Enter on line 38	of the amount over—	If the amount on Form 1040, line 37 is	Enter on line 38	of the amount over—
Under \$0	Under \$0	Under \$0	Under \$0	Under \$0	Under \$0
0	0	0	0	0	0
18,550	18,550	18,550	24,850	24,850	24,850
44,900	44,900	44,900	64,200	64,200	64,200
93,130	93,130	93,130	128,810	128,810	128,810
155,320	155,320	155,320	181,810	181,810	181,810
217,950	217,950	217,950	234,810	234,810	234,810
280,580	280,580	280,580	287,810	287,810	287,810
343,210	343,210	343,210	340,810	340,810	340,810
405,840	405,840	405,840	393,810	393,810	393,810
468,470	468,470	468,470	446,810	446,810	446,810
531,100	531,100	531,100	499,810	499,810	499,810
593,730	593,730	593,730	552,810	552,810	552,810
656,360	656,360	656,360	605,810	605,810	605,810
718,990	718,990	718,990	658,810	658,810	658,810
781,620	781,620	781,620	711,810	711,810	711,810
844,250	844,250	844,250	764,810	764,810	764,810
906,880	906,880	906,880	817,810	817,810	817,810
969,510	969,510	969,510	870,810	870,810	870,810
1,032,140	1,032,140	1,032,140	923,810	923,810	923,810
1,094,770	1,094,770	1,094,770	976,810	976,810	976,810
1,157,400	1,157,400	1,157,400	1,029,810	1,029,810	1,029,810
1,220,030	1,220,030	1,220,030	1,082,810	1,082,810	1,082,810
1,282,660	1,282,660	1,282,660	1,135,810	1,135,810	1,135,810
1,345,290	1,345,290	1,345,290	1,188,810	1,188,810	1,188,810
1,407,920	1,407,920	1,407,920	1,241,810	1,241,810	1,241,810
1,470,550	1,470,550	1,470,550	1,294,810	1,294,810	1,294,810
1,533,180	1,533,180	1,533,180	1,347,810	1,347,810	1,347,810
1,595,810	1,595,810	1,595,810	1,400,810	1,400,810	1,400,810
1,658,440	1,658,440	1,658,440	1,453,810	1,453,810	1,453,810
1,721,070	1,721,070	1,721,070	1,506,810	1,506,810	1,506,810
1,783,700	1,783,700	1,783,700	1,559,810	1,559,810	1,559,810
1,846,330	1,846,330	1,846,330	1,612,810	1,612,810	1,612,810
1,908,960	1,908,960	1,908,960	1,665,810	1,665,810	1,665,810
1,971,590	1,971,590	1,971,590	1,718,810	1,718,810	1,718,810
2,034,220	2,034,220	2,034,220	1,771,810	1,771,810	1,771,810
2,096,850	2,096,850	2,096,850	1,824,810	1,824,810	1,824,810
2,159,480	2,159,480	2,159,480	1,877,810	1,877,810	1,877,810
2,222,110	2,222,110	2,222,110	1,930,810	1,930,810	1,930,810
2,284,740	2,284,740	2,284,740	1,983,810	1,983,810	1,983,810
2,347,370	2,347,370	2,347,370	2,036,810	2,036,810	2,036,810
2,409,999	2,409,999	2,409,999	2,089,810	2,089,810	2,089,810
2,472,629	2,472,629	2,472,629	2,142,810	2,142,810	2,142,810
2,535,259	2,535,259	2,535,259	2,195,810	2,195,810	2,195,810
2,597,889	2,597,889	2,597,889	2,248,810	2,248,810	2,248,810
2,660,519	2,660,519	2,660,519	2,301,810	2,301,810	2,301,810
2,723,149	2,723,149	2,723,149	2,354,810	2,354,810	2,354,810
2,785,779	2,785,779	2,785,779	2,407,810	2,407,810	2,407,810
2,848,409	2,848,409	2,848,409	2,460,810	2,460,810	2,460,810
2,911,039	2,911,039	2,911,039	2,513,810	2,513,810	2,513,810
2,973,669	2,973,669	2,973,669	2,566,810	2,566,810	2,566,810
3,036,299	3,036,299	3,036,299	2,619,810	2,619,810	2,619,810
3,098,929	3,098,929	3,098,929	2,672,810	2,672,810	2,672,810
3,161,559	3,161,559	3,161,559	2,725,810	2,725,810	2,725,810
3,224,189	3,224,189	3,224,189	2,778,810	2,778,810	2,778,810
3,286,819	3,286,819	3,286,819	2,831,810	2,831,810	2,831,810
3,349,449	3,349,449	3,349,449	2,884,810	2,884,810	2,884,810
3,412,079	3,412,079	3,412,079	2,937,810	2,937,810	2,937,810
3,474,709	3,474,709	3,474,709	2,990,810	2,990,810	2,990,810
3,537,339	3,537,339	3,537,339	3,043,810	3,043,810	3,043,810
3,599,969	3,599,969	3,599,969	3,096,810	3,096,810	3,096,810
3,662,599	3,662,599	3,662,599	3,149,810	3,149,810	3,149,810
3,725,229	3,725,229	3,725,229	3,202,810	3,202,810	3,202,810
3,787,859	3,787,859	3,787,859	3,255,810	3,255,810	3,255,810
3,850,489	3,850,489	3,850,489	3,308,810	3,308,810	3,308,810
3,913,119	3,913,119	3,913,119	3,361,810	3,361,810	3,361,810
3,975,749	3,975,749	3,975,749	3,414,810	3,414,810	3,414,810
4,038,379	4,038,379	4,038,379	3,467,810	3,467,810	3,467,810
4,101,009	4,101,009	4,101,009	3,520,810	3,520,810	3,520,810
4,163,639	4,163,639	4,163,639	3,573,810	3,573,810	3,573,810
4,226,269	4,226,269	4,226,269	3,626,810	3,626,810	3,626,810
4,288,899	4,288,899	4,288,899	3,679,810	3,679,810	3,679,810
4,351,529	4,351,529	4,351,529	3,732,810	3,732,810	3,732,810
4,414,159	4,414,159	4,414,159	3,785,810	3,785,810	3,785,810
4,476,789	4,476,789	4,476,789	3,838,810	3,838,810	3,838,810
4,539,419	4,539,419	4,539,419	3,891,810	3,891,810	3,891,810
4,602,049	4,602,049	4,602,049	3,944,810	3,944,810	3,944,810
4,664,679	4,664,679	4,664,679	3,997,810	3,997,810	3,997,810
4,727,309	4,727,309	4,727,309	4,050,810	4,050,810	4,050,810
4,789,939	4,789,939	4,789,939	4,103,810	4,103,810	4,103,810
4,852,569	4,852,569	4,852,569	4,156,810	4,156,810	4,156,810
4,915,199	4,915,199	4,915,199	4,209,810	4,209,810	4,209,810
4,977,829	4,977,829	4,977,829	4,262,810	4,262,810	4,262,810
5,040,459	5,040,459	5,040,459	4,315,810	4,315,810	4,315,810
5,103,089	5,103,089	5,103,089	4,368,810	4,368,810	4,368,810
5,165,719	5,165,719	5,165,719	4,421,810	4,421,810	4,421,810
5,228,349	5,228,349	5,228,349	4,474,810	4,474,810	4,474,810
5,290,979	5,290,979	5,290,979	4,527,810	4,527,810	4,527,810
5,353,609	5,353,609	5,353,609	4,580,810	4,580,810	4,580,810
5,416,239	5,416,239	5,416,239	4,633,810	4,633,810	4,633,810
5,478,869	5,478,869	5,478,869	4,686,810	4,686,810	4,686,810
5,541,499	5,541,499	5,541,499	4,739,810	4,739,810	4,739,810
5,604,129	5,604,129	5,604,129	4,792,810	4,792,810	4,792,810
5,666,759	5,666,759	5,666,759	4,845,810	4,845,810	4,845,810
5,729,389	5,729,389	5,729,389	4,898,810	4,898,810	4,898,810
5,792,019	5,792,019	5,792,019	4,951,810	4,951,810	4,951,810
5,854,649	5,854,649	5,854,649	5,004,810	5,004,810	5,004,810
5,917,279	5,917,279	5,917,279	5,057,810	5,057,810	5,057,810
5,979,909	5,979,909	5,979,909	5,110,810	5,110,810	5,110,810
6,042,539	6,042,539	6,042,539	5,163,810	5,163,810	5,163,810
6,105,169	6,105,169	6,105,169	5,216,810	5,216,810	5,216,810
6,167,799	6,167,799	6,167,799	5,269,810	5,269,810	5,269,810
6,230,429	6,230,429	6,230,429	5,322,810	5,322,810	5,322,810
6,293,059	6,293,059	6,293,059	5,375,810	5,375,810	5,375,810
6,355,689	6,355,689	6,355,689	5,428,810	5,428,810	5,428,810
6,418,319	6,418,319	6,418,319	5,481,810	5,481,810	5,481,810
6,480,949	6,480,949	6,480,949	5,534,810	5,534,810	5,534,810
6,543,579	6,543,579	6,543,579	5,587,810	5,587,810	5,587,810
6,606,209	6,606,209	6,606,209	5,640,810	5,640,810	5,640,810
6,668,839	6,668,839	6,668,839	5,693,810	5,693,810	5,693,810
6,731,469	6,731,469	6,731,469	5,746,810	5,746,810	5,746,810
6,794,099	6,794,099	6,794,099	5,799,810	5,799,810	5,799,810
6,856,729	6,856,729	6,856,729	5,852,810	5,852,810	5,852,810
6,919,359	6,919,359	6,919,359	5,905,810	5,905,810	5,905,810
6,981,989	6,981,989	6,981,989	5,958,810	5,958,810	5,958,810
7,044,619	7,044,619	7,044,619	6,011,810	6,011,810	6,011,810
7,107,249	7,107,249	7,107,249	6,064,810	6,064,810	6,064,810
7,169,879	7,169,879	7,169,879	6,117,810	6,117,810	6,117,810
7,232,509	7,232,509	7,232,509	6,170,810	6,170,810	6,170,810
7,295,139	7,295,139	7,295,139	6,223,810	6,223,810	6,223,810
7,357,769	7,357,769	7,357,769	6,276,810	6,276,810	6,276,810
7,420,399	7,420,399	7,420,399	6,329,810	6,329,810	6,329,810
7,483,029	7,483,029	7,483,029	6,382,810	6,382,810	6,382,810
7,545,659	7,545,659	7,545,659	6,435,810	6,435,810	6,435,810
7,608,289	7,608,289	7,608,289	6,488,810	6,488,810	6,488,810
7,670,919	7,670,919	7,670,919	6,541,810	6,541,810	6,541,810
7,733,549	7,733,549	7,733,549	6,594,810	6,594,810	6,594,810
7,796,179	7,796,179	7,796,179	6,647,810	6,647,810	6,647,810
7,858,809	7,858,809	7,858,809	6,700,810	6,700,810	6,700,810
7,921,439	7,921,439	7,921,439	6,753,810	6,753,810	6,753,810
7,984,069	7,984,069	7,984,069	6,806,810	6,806,810	6,806,810
8,046,699	8,046,699	8,046,699	6,859,810	6,859,810	6,859,810
8,109,329	8,109,329	8,109,329	6,912,810	6,912,810	6,912,810
8,171,959	8,171,959	8,171,959	6,965,810	6,965,810	6,965,810
8,234,589	8,234,589	8,234,589	7,018,810	7,018,810	7,018,810
8,297,219	8,297,219	8,297,219	7,071,810	7,071,810	7,071,810
8,359,849	8,359,849	8,359,849	7,124,81		

What Is Tele-Tax?

Recorded Tax Information has about 140 topics of tax information that answer many Federal tax questions. You can hear up to three topics on each call you make.

Automated Refund Information is available beginning March 1 so you can check the status of your refund.

To Call Tele-Tax Toll-Free, Use Only the Numbers Listed Below for Your Area

Long distance charges apply if you call from outside the local dialing area of the numbers listed below. **Do not dial "1-800" when using a local number.** A complete list of these topics is on the next page.

How Do I Use Tele-Tax?

Recorded Tax Information

Tonic numbers are effective January 1, 1990.

Push button (tone signaling) service is available 24 hours a day, 7 days a week.

Rotary (dial) push-button (pulse dial) service is available Monday through Friday during regular office hours (in Hawaii, from 6:30 A.M. to 1:00 P.M.).

Select by number the topic you want to hear. For the directory of topics, listen to topic no. 323.

Have paper and pencil handy to take notes.

Call the appropriate phone number listed below.

• If you have a push-button (tone signaling) phone, immediately follow the recorded instructions, or

• If you have a rotary (dial) or push-button (pulse dial) phone, wait for further recorded instructions.

Automated Refund Information

Refund information is available beginning March 1. If you have a "called to find out about the status of your refund and did not receive a refund mailing date, please wait seven days before calling back.

• Push button (tone signaling) service is available Monday through Friday, from 7:00 A.M. to 11:30 P.M. (Hours may vary in your area.)

• Rotary (dial) push-button (pulse dial) service is available Monday through Friday during regular office hours (in Hawaii, from 6:30 A.M. to 1:00 P.M.).

Have a copy of your tax return available since you will need to know the first social security number shown on your return, the filing status, and the exact amount of your refund.

Call the appropriate phone number listed below.

Follow the recorded instructions.

1989 Earned Income Credit Table (continued)

If line 3 or 4 of worksheet is—		Your earned income is—		If line 3 or 4 of worksheet is—		Your earned income is—		If line 3 or 4 of worksheet is—		Your earned income is—		If line 3 or 4 of worksheet is—		Your earned income is—	
At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than
\$11,725	\$11,750	\$13,325	\$13,350	\$600	\$600	\$14,925	\$14,950	\$440	\$440	\$16,525	\$16,550	\$280	\$280	\$18,125	\$18,150
\$11,750	\$11,775	\$13,350	\$13,375	\$600	\$600	\$14,950	\$14,975	\$440	\$440	\$16,550	\$16,575	\$280	\$280	\$18,150	\$18,175
\$11,775	\$11,800	\$13,375	\$13,400	\$593	\$593	\$14,975	\$15,000	\$433	\$433	\$16,575	\$16,600	\$273	\$273	\$18,175	\$18,200
\$11,800	\$11,825	\$13,400	\$13,425	\$588	\$588	\$15,000	\$15,025	\$428	\$428	\$16,600	\$16,625	\$268	\$268	\$18,200	\$18,225
\$11,825	\$11,850	\$13,425	\$13,450	\$583	\$583	\$15,025	\$15,050	\$423	\$423	\$16,625	\$16,650	\$263	\$263	\$18,225	\$18,250
\$11,850	\$11,875	\$13,450	\$13,475	\$578	\$578	\$15,050	\$15,075	\$418	\$418	\$16,650	\$16,675	\$258	\$258	\$18,250	\$18,275
\$11,875	\$11,900	\$13,475	\$13,500	\$573	\$573	\$15,075	\$15,100	\$413	\$413	\$16,675	\$16,700	\$253	\$253	\$18,275	\$18,300
\$11,900	\$11,925	\$13,500	\$13,525	\$568	\$568	\$15,100	\$15,125	\$408	\$408	\$16,700	\$16,725	\$248	\$248	\$18,300	\$18,325
\$11,925	\$11,950	\$13,525	\$13,550	\$563	\$563	\$15,125	\$15,150	\$403	\$403	\$16,725	\$16,750	\$243	\$243	\$18,325	\$18,350
\$11,950	\$11,975	\$13,550	\$13,575	\$558	\$558	\$15,150	\$15,175	\$398	\$398	\$16,750	\$16,775	\$238	\$238	\$18,350	\$18,375
\$11,975	\$12,000	\$13,575	\$13,600	\$553	\$553	\$15,175	\$15,200	\$393	\$393	\$16,775	\$16,800	\$233	\$233	\$18,375	\$18,400
\$12,000	\$12,025	\$13,600	\$13,625	\$548	\$548	\$15,200	\$15,225	\$388	\$388	\$16,800	\$16,825	\$228	\$228	\$18,400	\$18,425
\$12,025	\$12,050	\$13,625	\$13,650	\$543	\$543	\$15,225	\$15,250	\$383	\$383	\$16,825	\$16,850	\$223	\$223	\$18,425	\$18,450
\$12,050	\$12,075	\$13,650	\$13,675	\$538	\$538	\$15,250	\$15,275	\$378	\$378	\$16,850	\$16,875	\$218	\$218	\$18,450	\$18,475
\$12,075	\$12,100	\$13,675	\$13,700	\$533	\$533	\$15,275	\$15,300	\$373	\$373	\$16,875	\$16,900	\$213	\$213	\$18,475	\$18,500
\$12,100	\$12,125	\$13,700	\$13,725	\$528	\$528	\$15,300	\$15,325	\$368	\$368	\$16,900	\$16,925	\$208	\$208	\$18,500	\$18,525
\$12,125	\$12,150	\$13,725	\$13,750	\$523	\$523	\$15,325	\$15,350	\$363	\$363	\$16,925	\$16,950	\$203	\$203	\$18,525	\$18,550
\$12,150	\$12,175	\$13,750	\$13,775	\$518	\$518	\$15,350	\$15,375	\$358	\$358	\$16,950	\$16,975	\$198	\$198	\$18,550	\$18,575
\$12,175	\$12,200	\$13,775	\$13,800	\$513	\$513	\$15,375	\$15,400	\$353	\$353	\$16,975	\$17,000	\$193	\$193	\$18,575	\$18,600
\$12,200	\$12,225	\$13,800	\$13,825	\$508	\$508	\$15,400	\$15,425	\$348	\$348	\$17,000	\$17,025	\$188	\$188	\$18,600	\$18,625
\$12,225	\$12,250	\$13,825	\$13,850	\$503	\$503	\$15,425	\$15,450	\$343	\$343	\$17,025	\$17,050	\$183	\$183	\$18,625	\$18,650
\$12,250	\$12,275	\$13,850	\$13,875	\$498	\$498	\$15,450	\$15,475	\$338	\$338	\$17,050	\$17,075	\$178	\$178	\$18,650	\$18,675
\$12,275	\$12,300	\$13,875	\$13,900	\$493	\$493	\$15,475	\$15,500	\$333	\$333	\$17,075	\$17,100	\$173	\$173	\$18,675	\$18,700
\$12,300	\$12,325	\$13,900	\$13,925	\$488	\$488	\$15,500	\$15,525	\$328	\$328	\$17,100	\$17,125	\$168	\$168	\$18,700	\$18,725
\$12,325	\$12,350	\$13,925	\$13,950	\$483	\$483	\$15,525	\$15,550	\$323	\$323	\$17,125	\$17,150	\$163	\$163	\$18,725	\$18,750
\$12,350	\$12,375	\$13,950	\$13,975	\$478	\$478	\$15,550	\$15,575	\$318	\$318	\$17,150	\$17,175	\$158	\$158	\$18,750	\$18,775
\$12,375	\$12,400	\$13,975	\$14,000	\$473	\$473	\$15,575	\$15,600	\$313	\$313	\$17,175	\$17,200	\$153	\$153	\$18,775	\$18,800
\$12,400	\$12,425	\$14,000	\$14,025	\$468	\$468	\$15,600	\$15,625	\$308	\$308	\$17,200	\$17,225	\$148	\$148	\$18,800	\$18,825
\$12,425	\$12,450	\$14,025	\$14,050	\$463	\$463	\$15,625	\$15,650	\$303	\$303	\$17,225	\$17,250	\$143	\$143	\$18,825	\$18,850
\$12,450	\$12,475	\$14,050	\$14,075	\$458	\$458	\$15,650	\$15,675	\$298	\$298	\$17,250	\$17,275	\$138	\$138	\$18,850	\$18,875
\$12,475	\$12,500	\$14,075	\$14,100	\$453	\$453	\$15,675	\$15,700	\$293	\$293	\$17,275	\$17,300	\$133	\$133	\$18,875	\$18,900
\$12,500	\$12,525	\$14,100	\$14,125	\$448	\$448	\$15,700	\$15,725	\$288	\$288	\$17,300	\$17,325	\$128	\$128	\$18,900	\$18,925
\$12,525	\$12,550	\$14,125	\$14,150	\$443	\$443	\$15,725	\$15,750	\$283	\$283	\$17,325	\$17,350	\$123	\$123	\$18,925	\$18,950
\$12,550	\$12,575	\$14,150	\$14,175	\$438	\$438	\$15,750	\$15,775	\$278	\$278	\$17,350	\$17,375	\$118	\$118	\$18,950	\$18,975
\$12,575	\$12,600	\$14,175	\$14,200	\$433	\$433	\$15,775	\$15,800	\$273	\$273	\$17,375	\$17,400	\$113	\$113	\$18,975	\$19,000
\$12,600	\$12,625	\$14,200	\$14,225	\$428	\$428	\$15,800	\$15,825	\$268	\$268	\$17,400	\$17,425	\$108	\$108	\$19,000	\$19,025
\$12,625	\$12,650	\$14,225	\$14,250	\$423	\$423	\$15,825	\$15,850	\$263	\$263	\$17,425	\$17,450	\$103	\$103	\$19,025	\$19,050
\$12,650	\$12,675	\$14,250	\$14,275	\$418	\$418	\$15,850	\$15,875	\$258	\$258	\$17,450	\$17,475	\$98	\$98	\$19,050	\$19,075
\$12,675	\$12,700	\$14,275	\$14,300	\$413	\$413	\$15,875	\$15,900	\$253	\$253	\$17,475	\$17,500	\$93	\$93	\$19,075	\$19,100
\$12,700	\$12,725	\$14,300	\$14,325	\$408	\$408	\$15,900	\$15,925	\$248	\$248	\$17,500	\$17,525	\$88	\$88	\$19,100	\$19,125
\$12,725	\$12,750	\$14,325	\$14,350	\$403	\$403	\$15,925	\$15,950	\$243	\$243	\$17,525	\$17,550	\$83	\$83	\$19,125	\$19,150
\$12,750	\$12,775	\$14,350	\$14,375	\$398	\$398	\$15,950	\$15,975	\$238	\$238	\$17,550	\$17,575	\$78	\$78	\$19,150	\$19,175
\$12,775	\$12,800	\$14,375	\$14,400	\$393	\$393	\$15,975	\$16,000	\$233	\$233	\$17,575	\$17,600	\$73	\$73	\$19,175	\$19,200
\$12,800	\$12,825	\$14,400	\$14,425	\$388	\$388	\$16,000	\$16,025	\$228	\$228	\$17,600	\$17,625	\$68	\$68	\$19,200	\$19,225
\$12,825	\$12,850	\$14,425	\$14,450	\$383	\$383	\$16,025	\$16,050	\$223	\$223	\$17,625	\$17,650	\$63	\$63	\$19,225	\$19,250
\$12,850	\$12,875	\$14,450	\$14,475	\$378	\$378	\$16,050	\$16,075	\$218	\$218	\$17,650	\$17,675	\$58	\$58	\$19,250	\$19,275
\$12,875	\$12,900	\$14,475	\$14,500	\$373	\$373	\$16,075	\$16,100	\$213	\$213	\$17,675	\$17,700	\$53	\$53	\$19,275	\$19,300
\$12,900	\$12,925	\$14,500	\$14,525	\$368	\$368	\$16,100	\$16,125	\$208	\$208	\$17,700	\$17,725	\$48	\$48	\$19,300	\$19,325
\$12,925	\$12,950	\$14,525	\$14,550	\$363	\$363	\$16,125	\$16,150	\$203	\$203	\$17,725	\$17,750	\$43	\$43	\$19,325	\$19,350
\$12,950	\$12,975	\$14,550	\$14,575	\$358	\$358	\$16,150	\$16,175	\$203	\$203	\$17,750	\$17,775	\$43	\$43	\$19,350	\$19,375
\$12,975	\$13,000	\$14,575	\$14,600	\$353	\$353	\$16,175	\$16,200	\$203	\$203	\$17,775	\$17,800	\$43	\$43	\$19,375	\$19,400
\$13,000	\$13,025	\$14,600	\$14,625	\$348	\$348	\$16,200	\$16,225	\$203	\$203	\$17,800	\$17,825	\$43	\$43	\$19,400	\$19,425
\$13,025	\$13,050	\$14,625	\$14,650	\$343	\$343	\$16,225	\$16,250	\$203	\$203	\$17,825	\$17,850	\$43	\$43	\$19,425	\$19,450
\$13,050	\$13,075	\$14,650	\$14,675	\$338	\$338	\$16,250	\$16,275	\$203	\$203	\$17,850	\$17,875	\$43	\$43	\$19,450	\$19,475
\$13,075	\$13,100	\$14,675	\$14,700	\$333	\$333	\$16,275	\$16,300	\$203	\$203	\$17,875	\$17,900	\$43	\$43	\$19,475	\$19,500
\$13,100	\$13,125	\$14,700	\$14,725	\$328	\$328	\$16,300	\$16,325	\$203	\$203	\$17,900	\$17,925	\$43	\$43	\$19,500	\$19,525
\$13,125	\$13,150	\$14,725	\$14,750	\$323	\$323	\$16,325	\$16,350	\$203	\$203	\$17,925	\$17,950	\$40	\$40	\$19,525	\$19,550
\$13,150	\$13,175	\$14,750	\$14,775	\$318	\$318	\$16,350	\$16,375	\$203	\$203	\$17,950	\$17,975	\$38	\$38	\$19,550	\$19,575
\$13,175	\$13,200	\$14,775	\$14,800	\$313	\$313	\$16,375	\$16,400	\$203	\$203	\$17,975	\$18,000	\$35	\$35	\$19,575	\$19,600
\$13,200	\$13,225	\$14,800	\$14,825	\$308	\$308	\$16,400	\$16,425	\$203	\$203	\$18,000	\$18,025	\$33	\$33	\$19,600	\$19,625
\$13,225	\$13,250	\$14,825	\$14,850	\$303	\$303	\$16,425	\$16,450	\$203	\$203	\$18,025	\$18,050	\$30	\$30	\$19,625	\$19,650
\$13,250	\$13,275	\$14,850	\$14,875	\$298	\$298	\$16,450	\$16,475	\$203	\$203	\$18,050	\$18,075	\$28	\$28	\$19,650	\$19,675
\$13,275	\$13,300	\$14,875	\$14,900	\$293	\$293	\$16,475	\$16,500	\$203	\$203	\$18,075	\$18,100	\$25	\$25	\$19,675	\$19,700
\$13,300	\$13,325	\$14,900	\$14,925	\$288	\$288	\$16,500	\$16,525	\$203	\$203	\$18,100	\$18,125	\$23	\$23	\$19,700	\$19,725
\$13,325	\$13,350	\$14,925	\$14,950	\$283	\$283	\$16,525	\$16,550	\$203	\$203	\$18,125	\$18,150	\$21	\$21	\$19,725	\$19,750
\$13,350	\$13,375	\$14,950	\$14,975	\$278	\$278	\$16,550	\$16,575	\$203	\$203	\$18,150	\$18,175	\$19	\$19	\$19,750	\$19,775
\$13,375	\$13,400	\$14,975	\$15,000	\$273	\$273	\$16,575	\$16,600	\$203	\$203	\$18,175	\$18,200	\$17	\$17	\$19,775	\$19,800
\$13,400	\$13,425	\$15,000	\$15,025	\$268	\$268	\$16,600	\$16,625	\$203	\$203	\$18,200	\$18,225	\$15	\$15	\$19,800	\$19,825
\$13,425	\$13,450	\$15,025	\$15,050	\$263	\$263	\$16,625	\$16,650	\$203	\$203	\$18,225	\$18,250	\$13	\$13	\$19,825	\$19,850
\$13,450	\$13,475	\$15,050	\$15,075	\$258	\$258	\$16,650	\$16,675	\$203	\$203	\$18,250	\$18,275	\$11	\$11	\$19,850	\$19,875
\$13,475	\$13,500	\$15,075	\$15,100	\$253	\$253	\$16,675	\$16,700	\$203	\$203	\$18,275	\$18,300	\$9	\$9	\$19,875	\$19,900
\$13,500	\$13,525	\$15,100	\$15,125	\$248	\$248	\$16,700	\$16,725	\$203	\$203	\$18,300	\$18,325	\$7	\$7	\$19,900	\$19,925
\$13,525	\$13,550	\$15,125	\$15,150	\$243	\$243	\$16,725	\$16,750	\$203	\$203	\$18,325	\$18,350	\$5	\$5	\$19,925	\$19,950
\$13,550	\$13,575	\$15,150	\$15,175	\$238	\$238	\$16,750	\$16,775	\$203	\$203	\$18,350	\$18,375	\$3	\$3	\$19,950	\$19,975
\$13,575	\$13,600	\$15,175	\$15,200	\$233	\$233	\$16,775	\$16,800	\$203	\$203	\$18,375	\$18,400	\$1	\$1	\$19,975	\$20,000
\$13,600	\$13,625	\$15,200	\$15,225	\$228	\$228										

Tele-Tax Topic Numbers and Subjects

Topic No.	Subject
101	IRS procedures and services
102	IRS help available: Volunteer tax assistance, tax clinics, and other programs
103	Tax assistance for handicapped individuals and the hearing impaired
104	Business travel expenses—tax help for small businesses
105	Problem resolution program—Help for individuals
106	Public hearings—Tax information tapes
107	Examination procedures and how to prepare for an audit
108	The collection process
109	Tax fraud—How to report
110	Tax-exempt organizations that qualify for tax-exempt status
111	Organizations—How to apply for exempt status
112	Electronic filing
113	Special enrollment examination to practice before IRS
114	Power of attorney information
999	Local information

151	Who must file?
152	Which form—1040, 1040A, or 1040EZ?
153	Where, when, and how to file
154	What to bring to the IRS
155	Dependent tax
156	Estimated tax
157	Amended returns
158	Decedents
Types of Income	
201	Wages and salaries
202	Interest received
203	Dividends
204	Refund of state and local taxes
205	Monetary received
206	Gifts
207	Self-employment
208	Capital gains and losses
209	Pensions and annuities
210	Retirement benefits
211	Unemployment benefits
212	Lump sum distributions
213	Rental income and expenses
214	Renting vacation property/Renting to relatives
215	Royalties
216	Farming and fishing income
217	Earnings for clergy
218	Disability benefits
219	Gambling income and expenses
220	Bartering income
221	Scholarships, fellowships, and grants
222	Nonexempt income
223	Retirement benefits
224	401(k) plans
225	Passive activities—Losses/credits
226	Supplemental Medicare premium
227	Voluntary or required retirement benefits

251	Individual retirement arrangements (IRAs)
252	Alimony paid
253	Bad debt deduction
254	Tax shelters

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Call IRS With Your Tax Question

If the instructions to the tax forms and our free tax publications have not answered your question, please call our toll-free "Toll-Free" is a telephone call for which you pay only local charges.

CHOOSING THE RIGHT NUMBER: Use only the number listed below for your area. Use a local city number only if it is not a long distance call for you. **Please do not dial "1-800" when using a local city number.**

BEFORE YOU CALL: Remember that good communication is a two-way process. IRS representatives care about the quality of the service we provide to you, our customer. You can help us provide accurate, complete answers to your tax questions by having the following information available:

1. The tax form, schedule, or notice to which your question relates.
2. The facts about your particular situation (the answer to the sample question often varies from one taxpayer to another because of differences in their age, income, whether the tax can be claimed as a dependent, etc.).
3. The name of any IRS publication or other source of information that you used to look for the answer.

BEFORE YOU HANG UP: If you do not fully understand the answer you receive, or you feel our representative may not fully understand your question, our representative needs to know this. He or she will be happy to take the additional time required to be sure we have answered your question fully and in the manner which is most helpful to you.

By law, you are responsible for paying your fair share of Federal income tax. If we should make an error in answering your question, you are still responsible for the payment of the correct tax. Should this occur, however, you will not be charged any penalty. To make sure that IRS representatives give accurate and courteous answers, a second IRS representative sometimes listens in on telephone calls. No record is kept of any taxpayer's identity.

ALABAMA	1-800-424-1040	DISTRICT OF COLUMBIA	488-3100	KANSAS	1-800-424-1040
ALASKA	Anchorage, 561-7484 Elsewhere, 1-800-424-1040	FLORIDA	Jacksonville, 354-1760 Elsewhere, 1-800-424-1040	KENTUCKY	1-800-424-1040
ARIZONA	Phoenix, 257-1233 Elsewhere, 1-800-424-1040	GEORGIA	Atlanta, 522-0969 Elsewhere, 1-800-424-1040	LOUISIANA	1-800-424-1040
ARKANSAS	Fayetteville, 800-424-1040	HAWAII	Oahu, 1-800-424-1040	MAINE	1-800-424-1040
CALIFORNIA	Please call the telephone pages of your local U.S. Government, Internal Revenue Service, Federal Tax Assistance	IDaho	1-800-424-1040	MARYLAND	Baltimore, 962-2590 Montgomery County, 488-3100 Prince George's County, 488-3100
COLORADO	Denver, 825-1061 Elsewhere, 1-800-424-1040	ILLINOIS	Chicago, 435-1040 Elsewhere, 1-800-424-1040	MASSACHUSETTS	Boston, 523-1040 Elsewhere, 1-800-424-1040
CONNECTICUT	1-800-424-1040	INDIANA	Indianapolis, 226-5477 Elsewhere, 1-800-424-1040	MICHIGAN	Detroit, 237-0800 Elsewhere, 1-800-424-1040
DELAWARE	1-800-424-1040	IOWA	Des Moines, 283-0523 Elsewhere, 1-800-424-1040	MINNESOTA	Minneapolis, 291-1422 St. Paul, 291-1422 Elsewhere, 1-800-424-1040

Need Additional Forms or Publications?

If you do not have any tax questions and you only need tax forms and publications, you can—

- Visit your local IRS office
- Visit a participating bank or post office for Forms 1040, 1040A, 1040EZ and Schedules A&B and their related instructions.
- Visit a participating library, which stocks a wider variety of forms and publications
- Use the handy order blank on the next to the last page of the instructions. You should receive the items you order within 2 weeks from the time you mail your request
- Call our toll-free "Forms Only" number (1-800-424-FORM (3676)). The hours of operation during the filing season are 8:00 A.M. to 5:00 P.M. (weekdays) and 9:00 A.M. to 3:00 P.M. (Saturdays). For callers in Alaska and Hawaii the hours are Pacific Standard Time. You should receive your order within 7 to 10 work days after you call

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MISSISSIPPI	1-800-424-1040	SOUTH CAROLINA	1-800-424-1040
MISSOURI	St. Louis, 342-1040 Elsewhere, 1-800-424-1040	SOUTH DAKOTA	1-800-424-1040
MONTANA	Helena, 422-1500	TENNESSEE	Nashville, 259-4601 Elsewhere, 1-800-424-1040
NEBRASKA	Omaha, 422-1500	TEXAS	Dallas, 742-2440 Houston, 965-0440 Elsewhere, 1-800-424-1040
NEVADA	1-800-424-1040	UTAH	1-800-424-1040
NEW HAMPSHIRE	1-800-424-1040	VERMONT	1-800-424-1040
NEW JERSEY	Newark, 622-0600 Elsewhere, 1-800-424-1040	VIRGINIA	Richmond, 649-2361 Elsewhere, 1-800-424-1040
NEW MEXICO	1-800-424-1040	WASHINGTON	Seattle, 442-1040 Elsewhere, 1-800-424-1040
NEW YORK	Bronx, 732-0100 Buffalo, 855-3955 Manhattan, 732-0100 Queens, 596-3770 Rockland County, 937-1510 Saratoga County, 937-1510 Schenectady County, 937-1510 Suffolk County, 937-1510 Sullivan County, 937-1510 Tulsa County, 937-1510 Westchester County, 937-1510 Yonkers, 937-1510 Elsewhere, 1-800-424-1040	WEST VIRGINIA	1-800-424-1040
WISCONSIN	Milwaukee, 271-3780 Elsewhere, 1-800-424-1040	WYOMING	1-800-424-1040

Telephone Assistance	
Taxpayers Who Have	
Access to TV /	
Telephone—TTY	
Equipment:	
Indiana residents:	1-800-382-4089
Elsewhere in U.S., including Alaska, Hawaii, Virgin Islands, and Puerto Rico:	1-800-428-4732
Hours of Operation:	
Philadelphia, 574-9900	8:00 A.M. to 6:45 P.M. EST
Pittsburgh, 281-0112	(Jan. 1-April 16)
Elsewhere, 1-800-424-1040	8:00 A.M. to 4:30 P.M. EST
Elsewhere, 1-800-424-1040	(April 17-Dec 31)

Puerto Rico	San Juan Metro Area
766-5040	
Elsewhere, 1-800-424-1040	
Rhode Island	Providence, 860-424-1040
1-800-424-1040	

Notes

How To Get Forms

Generally, we mail forms and schedules directly to you based on what seems to be right for you. Schedules and forms you may need are listed below. Also see the list of related publications.

You can order the following items from IRS or get them at many participating banks, post offices, or libraries:

Form 1040, U.S. Individual Income Tax Return
Instructions for Form 1040

Form 1040A

Instructions for Form 1040A

Form 1040EZ

Instructions for Form 1040EZ

Schedule A for itemized deductions

Schedule B for interest income if more than \$400; for dividends and other distributions on stock if more than \$400; and for answering the Foreign Accounts or Foreign Trusts questions

You can photocopy the following items (as well as those listed above) at many participating libraries or order them from IRS:

Schedule 2 (Form 1040A), Supplemental Medicare Premium for Form 1040A Filers

Schedule C, Profit or Loss From Business

Schedule D, Capital Gains and Losses

Schedule E, Supplemental Income and Loss

Schedule F, Farm Income and Expenses

Schedule R, Credit for the Elderly or the Disabled

Schedule SE, Social Security Self-Employment Tax

Form 1040-ES, Estimated Tax for Individuals

Form 2106, Employee Business Expenses

Form 2119, Sale of Your Home

Form 2210, Underpayment of Estimated Tax by Individuals and Fiduciaries

Form 2441, Child and Dependent Care Expenses

Form 3468, Computation of Investment Credit

Form 3903, Moving Expenses

Form 4562, Depreciation and Amortization

Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return

Form 8283, Nontax Charitable Contributions

Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents

Form 8582, Passive Activity Loss Limitations

Form 8606, Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA Distributions

Form 8615, Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,000

Form 8808, Supplemental Medicare Premium

How To Get Publications

The following publications can be ordered from IRS or you can read or photocopy them at many participating libraries:

1 Your Rights as a Taxpayer

2 The ABC's of Income Tax

17 Your Federal Income Tax

463 Travel, Entertainment, and Gift Expenses

501 Exemptions, Standard Deduction, and Filing Information

502 Medical and Dental Expenses

504 Tax Information for Divorced or Separated Individuals

505 Tax Withholding and Estimated Tax

508 Educational Expenses

521 Moving Expenses

523 Tax Information on Selling Your Home

524 Credit for the Elderly or the Disabled

525 Taxable and Nontaxable Income

527 Residential Rental Property (Including Rental of Vacation Houses)

529 Miscellaneous Deductions

545 Interest Expense

553 Highlights of 1989 Tax Changes

554 Tax Information for Older Americans

910 Guide to Free Tax Services

917 Business Use of a Car

929 Tax Rules for Children and Dependents

Other publications and forms referred to in the instructions are also available without cost from the "Forms Distribution Center" for your state. See Publication 910 for a complete list of available publications.

QMB No. 1545 0085

1	Your first name and initial	Last name	Your social security no.
2			
3	If a joint return, spouse's first name and initial	Last name	Spouse's social security no.
4			
5	Home address (number and street) If you have a P.O. box see page 15 of the instructions	Appt. no.	
6	(City, town or post office, state and ZIP code. If you have a foreign address see page 15.)		
7			
8			
9			
10			

Presidential Election Campaign Fund

Do you want \$1 to go to this fund? ☐ Yes ☐ No

If you answer "Yes" to this question, does your spouse want \$1 to go to this fund? ☐ Yes ☐ No

Note: Checking "Yes" will not change your tax or reduce your refund.

Step 2
Check your filing status

1 ☐ Single (See if you can use Form 1040EZ.)
2 ☐ Married joint return (even if only one had income)
3 ☐ Married filing separate return. Enter spouse's social security number above and spouse's full name here.
4 ☐ Head of household (with qualifying person). (See page 16.) If the qualifying person is your child but not your dependent, enter this child's name here.
5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19 ____). (See page 17.)

6a <input type="checkbox"/> Yourself	If someone (such as your parent) can claim you as a dependent on his or her tax return, do not check box 6a. But be sure to check the box on line 15b on page 2.	No. of boxes checked on 6a and 6b
6b <input type="checkbox"/> Spouse		

[illegible]

7	Wages, salaries, tips, etc. This should be shown in Box 10 of your W-2 form(s). (Attach Form(s) W-2.)	7
8a	Taxable interest income (see page 24). (If over \$400, also complete	

Total income		8a
b Tax-exempt interest income (see page 24). (DO NOT include on line 8a.)		8b
9 Dividends , (If over \$400, also complete and attach Schedule 1, Part III.)	9	
10 Unemployment compensation (insurance) from Form(s) 1099-G.	10	
11 Add lines 7, 8a, 9, and 10. Enter the total. This is your total income.	11	

12a Your IRA deduction from applicable worksheet. Rules for IRAs begin on page 25.	12a
b Spouse's IRA deduction from applicable worksheet.	

c	Add lines 12a and 12b. Enter the total. There are your total adjustments.	12b
13	Subtract line 12c from line 11. Enter the result. This is your adjusted gross income . If this line is less than \$19,340 and a child lived with you, see "Earned Income Credit" (line 25b) on page 37 of instructions.)	12c ▶ 13

15a Check ☐ **You** were 65 or older
if: ☐ **Spouse** was 65 or older

b If someone (such as your parent) check here

c If you are married filing separately, see 1040 and itemizes deductions, see

16 Enter your standard deduction, that applies to you. Be sure to enter

19 Multiply \$0.000 by the total number
line 14, enter -0-.)

19 Subtract line 18 from line 17. Enter -0- if this is your taxable income. **This is your taxable income.**

If You Want IRS To Figure Your Tax.

Caution: If you are under age 14 and have income, check here.

Also see page 31 to see if you can get a refund.

20 Find the tax on the amount on line 19. **Find the tax on the amount on line 19.**

21 Credit for child and dependent care expenses. See instructions for Form 1041, line 21. Attach Schedule 1, Part I.

22 Subtract line 21 from line 20. Enter the result on line 22, enter -0-

23 **Supplemental Medicare premium** and attach Schedule 2 (Form 1040) for the year. Add lines 22 and 23. Enter the total supplemental Medicare premium.

24 **Supplemental Medicare premium.**

25a Total Federal income tax withheld of your W-2 form(s). (If any is from 1999, check here ☐ ☐ .)

b **Earned income credit.** From the instructions. Add lines 95, 96, and 97. Enter the result on line 25b, enter -0-

27 If line 26 is more than line 24, subtract line 24 from line 26. Enter the result on line 27. **This is your refund.**

Under penalties of perjury, I declare that I have examined the above information, and believe that it is true, correct, and complete. I am not aware of any knowledge or information that would cause this information to be untrue, incorrect, or incomplete.

Your signature _____

X

X
Spouse's signature (if joint return, both must sign)

Repairer's signature	X	Firm's name (or yours if self-employed)	Address and ZIP code
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OMB No. 1545-0045

Your social security number

1989 Schedule 1 (Form 1040A)

Name(s) shown on Form 1040A (Do not complete if shown on other side)

Part I
(continued)

Complete lines 13 through 20 only if you received employer-provided dependent care benefits. Be sure to also complete lines 1 and 2 of Part I.

13 Enter the total amount of employer-provided dependent care benefits you received for 1989. (This amount should be separately shown on your W-2 form(s) and labeled as "DCB.") DO NOT include amounts that were reported to you as wages in Box 10 of Form(s) W-2.

14 Enter the total amount of qualified expenses incurred in 1989 for the care of a qualifying person. (See page 34 of the instructions.)

15 Compare the amounts on lines 13 and 14. Enter the smaller of the two amounts here.

16 You must enter your earned income. (See page 34 of the instructions for the definition of earned income.)

17 If you were married at the end of 1989, you must enter your spouse's earned income. (If your spouse was a full-time student or disabled, see page 34 of the instructions for the amount to enter.)

18 • If you were married at the end of 1989, compare the amounts on lines 16 and 17 and enter the smaller of the two amounts here.

19 Excluded benefits. Enter here the smallest of the following:

- The amount from line 15, or
- The amount from line 16, or
- \$5,000 (\$2,500 if married filing a separate return).

20 Taxable benefits. Subtract line 19 from line 13. Enter the result. (If zero or less, enter -0-) Include this amount in the total on Form 1040A, line 7. In the space to the left of line 7, write "DCB."

Part II Interest income (see page 24 of the instructions)

Complete this part and attach Schedule 1 to Form 1040A if you received over \$400 in taxable interest.

1 Last name of payer

Amount

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Form
1040EZ
Income Tax Return for Single Filers With No Dependents **1989**

Department of the Treasury Internal Revenue Service

Use the IRS mailing label. If you don't have one, please print.

Name & address

Please print your numbers like this:

9 8 7 6 5 4 3 2 1 0

Print your name above (flow, initial, last)

Your social security number

Att: no

Att: no

Home address (number and street) If you have a P.O. box, use box 1

City (use only post office, state, and ZIP code)

Instructions are on the back. Also, see the Form 1040A/1040EZ booklet, especially the checklist on page 14.

Presidential Election Campaign Fund

Do you want \$1 to go to this fund? ☐ Yes ☐ No

Report your income

1 Total wages, salaries, and tips. This should be shown in Box 10 of your W-2 form(s). (Attach your W-2 form(s).) **1**

2 Taxable interest income of \$400 or less. If the total is more than \$400, you cannot use Form 1040EZ. **2**

3 Add line 1 and line 2. This is your **adjusted gross income**. **3**

4 Can your parents (or someone else) claim you on their return? **4**
☐ Yes. Do worksheet on back; enter amount from line E here.
☐ No. Enter 5,100. This is the total of your standard deduction and personal exemption.

5 Subtract line 4 from line 3. If line 4 is larger than line 3, enter 0. This is your **taxable income**. **5**

Figure your tax

6 Enter your federal income tax withheld from Box 9 of your W-2 form(s). **6**

7 Tax. Use the amount on line 5 to look up your tax in the tax table on pages 41-46 of the Form 1040A/1040EZ booklet. Use the single column in the table. Enter the tax from the table on this line. **7**

Refund or amount you owe

8 If line 6 is larger than line 7, subtract line 7 from line 6. This is your **refund**. **8**

9 If line 7 is larger than line 6, subtract line 6 from line 7. This is the **amount you owe**. Attach check or money order for the full amount, payable to "Internal Revenue Service." **9**

Sign your return
I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct, and complete.

Your signature _____ Date _____

(Keep a copy of this form for your records.) **X**

For Privacy Act and Paperwork Reduction Act Notice, see page 3 in the booklet.

Form 1040EZ (1989)

1989 Instructions for Form 1040EZ

Use this form if:

- Your filing status is single.
- You were under 65 and not blind at the end of 1989.
- You do not claim any dependents.
- Your taxable income (line 5) is less than \$50,000.

You had only wages, salaries, tips, and taxable scholarships or fellowships, and your taxable interest income was \$400 or less. **Caution:** If you earned tips (including allocated tips) that are not included in Box 14 of your W-2, you may not be able to use Form 1040EZ. See page 23 in the booklet.

If you are not sure about your filing status or dependents, see pages 15 through 20 in the booklet.

If you can't use this form, see pages 11 through 13 in the booklet for which form to use.

Completing your return

Please print your numbers inside the boxes. Do not type your numbers. Do not use dollar signs. You may round off cents to whole dollars. To do so, drop amounts under 50 cents and increase amounts that are 50 cents or more. For example, \$129.49 becomes \$129 and \$129.50 becomes \$130. If you round off, do so for all amounts. But if you have to add two or more amounts to figure the amount to enter on a line, include cents when adding and round off only the total.

Name & address

Please use the mailing label we sent you. It can help speed your refund. After you complete your return, put the label in the name and address area. Cross out any errors. Print the right information on the label (including apartment number). If you don't have a label, print your name, address, and social security number. If your post office does not deliver mail to your home and you have a P.O. box, show your P.O. box number instead of your home address.

Presidential campaign fund

Congress set up this fund to help pay for Presidential election costs. If you want \$1 of your tax to go to this fund, check the "Yes" box. If you check "Yes," your tax or refund will not change.

Report your income

Line 1. If you don't get your W-2 by February 15, contact your local IRS office. You must still report your wages, salaries, and tips even if you don't get a W-2 from your employer. Students, if you received a scholarship or fellowship, see page 23 in the booklet.

Line 2. Banks, savings and loans, credit unions, etc., should send you a Form 1099-INT showing the amount of taxable interest paid to you. You must report all your taxable interest even if you don't get a Form 1099-INT. If you had tax-exempt interest, such as on municipal bonds, write "TEI" in the space to the left of line 2. After "TEI," show the amount of your tax-exempt interest. Do not add tax-exempt interest in the total on line 2.

Line 4. If you checked "Yes" because someone can claim you as a dependent, fill in this worksheet to figure the amount to enter on line 4.

Standard deduction worksheet
Enter the amount from line 1 on front
A. Enter the amount from line 1 on front
B. Minimum amount.
C. Compare the amounts on lines A and B above.
Enter the LARGER of the two amounts here.
D. Maximum amount.
E. Compare the amounts on lines C and D above. Enter the SMALLER of the two amounts here and on line 4 on front.

If you checked "No," because no one can claim you as a dependent, enter 5,100 on line 4. This is the total of your standard deduction (3,100) and personal exemption (2,000).

Figure your tax
Line 6. If you received a Form 1099-INT showing income tax withheld (backup withholding), include the amount in the total on line 6. To the left of line 6, write "Form 1099." If you had two or more employers and had total wages of over \$45,000, see page 35 in the booklet.

If you want IRS to figure your tax, skip lines 7 through 9. Then sign and date your return. If you paid too much tax, we will send you a refund. If you didn't pay enough tax, we will send you a bill. We won't charge you interest or a late payment penalty if you pay within 30 days of the notice date or by April 15, 1990, whichever is later. If you want to figure your own tax, complete the rest of your return.

Amount you owe
Line 9. If you owe tax, attach your check or money order for the full amount. Write your social security number, daytime phone number, and "1989 Form 1040EZ" on your payment.

Sign your return
You must sign and date your return. If you pay someone to prepare your return, that person must sign it and show other information. See page 40 in the booklet.

Mailing your return
Mail your return by **April 16, 1990**. Use the envelope that came with your booklet. If you don't have that envelope, see page 49 in the booklet for the address.

Schedules A&B (Form 1040) 1989 OMB No. 1545-0074 Page 2
 Name(s) shown on Form 1040 (Do not enter name and social security number if shown on other side) Your social security number

Schedule B—Interest and Dividend Income

Part I Interest Income (See instructions on pages 10 and 27)
 If you received more than \$400 in taxable interest income, you must complete Parts I and III. List ALL interest received in Part I. If you received, as a nominee, interest that actually belongs to another person, or you received or paid accrued interest on securities transferred between interest payment dates, see page 27.

(See instructions on pages 10 and 27)		Interest income		Amount
1	Interest income from seller-financed mortgages. (See instructions and list name of payer.) ▶	1		
2	Other interest income. (List name of payer.) ▶	2		

SCHEDULE C (Form 1040) Department of the Treasury Internal Revenue Service (OI)

Profit or Loss From Business (Sole Proprietorship)

Partnerships, Joint Ventures, Etc., Must File Form 1065.

► Attach to Form 1040 or Form 1041. ► See Instructions for Schedule C (Form 1040).

OMB No. 1545-0074

1989

Attaching to Schedule C (Form 1040)

Social Security number (SSN)

Principal business code (from page 2)

Principal business code (from page 2)

Principal business code (from page 2)

Principal business code (from page 2)

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Principal business code (from page 2)

A Principal business or profession, including product or service (see Instructions)

B Principal business code (from page 2)

C Business name and address

D Method(s) used to value closing inventory

E Accounting method (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) (4) ☐ Does not apply (if checked, skip line G)

F Was there any change in determining quantities, costs, or valuations between opening and closing inventory? (If "Yes," attach explanation.)

G Are you deducting expenses for business use of your home? (If "Yes," see Instructions for limitations.)

H Did you "materially participate" in the operation of this business during 1989? (If "No," see Instructions for limitations on losses.)

I If this schedule includes a loss, credit, deduction, income, or other tax benefit relating to a tax shelter required to be registered, check here

J If you checked this box, you MUST attach Form 8271

Part I Income

1 Gross receipts or sales

2 Returns and allowances

3 Subtract line 2 from line 1. Enter the result here

4 Cost of goods sold and/or operations (from line 39 on page 2)

5 Subtract line 4 from line 3 and enter the gross profit here

6 Other income, including Federal and state gasoline or fuel tax credit or refund (see Instructions)

7 Add lines 5 and 6. This is your gross income

Part II Expenses

8 Advertising

9 Bad debts from sales or services (see Instructions)

10 Car and truck expenses

11 Commissions

12 Depreciation

13 Depreciation and section 179 deduction (Form 4562 (not included in Part III))

14 Employee benefit programs (other than on line 20)

15 Freight (not included in Part III)

16 Insurance (other than health)

17 Interest

18 Legal and professional services

19 Office expense

20 Pension and profit-sharing plans

21 Rent or lease

22 Repairs

23 Supplies (not included in Part III)

24 Taxes

25 Travel, meals, and entertainment

26 Utilities (see Instructions)

27 Wages (less job credit)

28 Other expenses (list type and amount)

29 Add amounts in columns for lines 8 through 28. These are your total expenses

30 Net profit or (loss). Subtract line 29 from line 7. If a profit, enter here and on Form 1040, line 12, and on Schedule SE, line 2. If a loss, you MUST go to line 31. (For cautions, see Instructions.)

31 If you have a loss, you MUST check the box that describes your investment in this activity (see Instructions). If you checked 31b, you MUST attach Form 8198.

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Part III Cost of Goods Sold and/or Operations (See Instructions.)

32 Inventory at beginning of year (If different from last year's closing inventory, attach explanation.)

33 Purchases less cost of items withdrawn for personal use

34 Cost of labor. (Do not include salary paid to yourself.)

35 Materials and supplies

36 Other costs

37 Add lines 32 through 36

38 Inventory at end of year

39 Cost of goods sold and/or operations. Subtract line 38 from line 37. Enter the result here and on page 1, line 4

Part IV Principal Business or Professional Activity Codes (Caution: Codes have been revised. Check your code carefully.)

Locate the major business category that best describes your activity (for example, Retail Trade, Services, etc.). Within the major category, select the activity code that most closely identifies the business or profession that is the principal source of your sales or receipts. Enter this 4-digit code on page 1, line B.

(Note: If your principal source of income is from farming activities, you should file Schedule F (Form 1040), Farm Income and Expenses.)

Code

0018 Operative builders (for own account)

0034 General contractors

0039 Residential building

0075 Highway and street construction

0089 Other heavy construction (see Instructions)

Schedule C (Form 1040) 1989

Part III Cost of Goods Sold and/or Operations (See Instructions.)

32 Inventory at beginning of year (If different from last year's closing inventory, attach explanation.)

33 Purchases less cost of items withdrawn for personal use

34 Cost of labor. (Do not include salary paid to yourself.)

35 Materials and supplies

36 Other costs

37 Add lines 32 through 36

38 Inventory at end of year

39 Cost of goods sold and/or operations. Subtract line 38 from line 37. Enter the result here and on page 1, line 4

Part IV Principal Business or Professional Activity Codes (Caution: Codes have been revised. Check your code carefully.)

Locate the major business category that best describes your activity (for example, Retail Trade, Services, etc.). Within the major category, select the activity code that most closely identifies the business or profession that is the principal source of your sales or receipts. Enter this 4-digit code on page 1, line B.

(Note: If your principal source of income is from farming activities, you should file Schedule F (Form 1040), Farm Income and Expenses.)

Code

0018 Operative builders (for own account)

0034 General contractors

0039 Residential building

0075 Highway and street construction

0089 Other heavy construction (see Instructions)

0232 Plumbing, heating, air conditioning

0272 Painting and paper hanging

0299 Masonry, dry wall, stone, tile

0434 Carpentry and flooring

0435 Concrete work

0485 Other building trade contractors (see Instructions)

0638 Food products and beverages

0679 Apparel and other textile products

0695 Leather, luggage, handbags, etc.

0836 Lumber and other wood products

0851 Printing and publishing

1032 Stone, clay, and glass products

1057 Primary metal industries

1099 Machinery and machine shops

1115 Electric and electronic equipment

1883 Other manufacturing industries

1511 Metal mining

1537 Coal mining

1719 Quarrying and nonmetallic mining

1719 Quarrying and nonmetallic mining

1719 Quarrying and nonmetallic mining

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Schedule C (Form 1040) 1989

Part III Cost of Goods Sold and/or Operations (See Instructions.)

32 Inventory at beginning of year (If different from last year's closing inventory, attach explanation.)

33 Purchases less cost of items withdrawn for personal use

34 Cost of labor. (Do not include salary paid to yourself.)

35 Materials and supplies

36 Other costs

37 Add lines 32 through 36

38 Inventory at end of year

39 Cost of goods sold and/or operations. Subtract line 38 from line 37. Enter the result here and on page 1, line 4

Part IV Principal Business or Professional Activity Codes (Caution: Codes have been revised. Check your code carefully.)

Locate the major business category that best describes your activity (for example, Retail Trade, Services, etc.). Within the major category, select the activity code that most closely identifies the business or profession that is the principal source of your sales or receipts. Enter this 4-digit code on page 1, line B.

(Note: If your principal source of income is from farming activities, you should file Schedule F (Form 1040), Farm Income and Expenses.)

Code

0018 Operative builders (for own account)

0034 General contractors

0039 Residential building

0075 Highway and street construction

0089 Other heavy construction (see Instructions)

0232 Plumbing, heating, air conditioning

0272 Painting and paper hanging

0299 Masonry, dry wall, stone, tile

0434 Carpentry and flooring

0435 Concrete work

0485 Other building trade contractors (see Instructions)

0638 Food products and beverages

0679 Apparel and other textile products

0695 Leather, luggage, handbags, etc.

0836 Lumber and other wood products

0851 Printing and publishing

1032 Stone, clay, and glass products

1057 Primary metal industries

1099 Machinery and machine shops

1115 Electric and electronic equipment

1883 Other manufacturing industries

1511 Metal mining

1537 Coal mining

1719 Quarrying and nonmetallic mining

1719 Quarrying and nonmetallic mining

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Schedule D (Form 1040) 1989 Attachment Sequence No. 12A Your social security number

Part III Summary of Parts I and II

- 18 Combine lines 8 and 17, and enter the net gain or (loss) here. If result is a gain, stop here and also enter the gain on Form 1040, line 13. If the result is a loss, go on to line 19.
- 19 If line 18 is a loss, enter here and as a (loss) on Form 1040, line 13, the smaller of:
- The (loss) on line 18, or
 - \$3,000 or, if married filing a separate return, (\$1,500)
- Note: When figuring whether 19a or 19b is smaller, treat both numbers as if they are positive. Go on to Part IV if the loss on line 18 is more than \$3,000 (\$1,500, if married filing a separate return), or if taxable income on Form 1040, line 37, is zero.

Part IV Figure Your Capital Loss Carryovers From 1989 to 1990

Section A—Figure Your Carryover Limit

- 20 Enter taxable income or loss from Form 1040, line 37. If Form 1040, line 37, is zero, see the instructions for the amount to enter.
- Note: For lines 21 through 36, treat all amounts as positive.

- 21 Enter the loss shown on line 19
- 22 Enter the amount shown on Form 1040, line 36
- 23 Combine lines 20, 21, and 22. If zero or less, enter zero
- 24 Enter the smaller of line 21 or line 23

Section B—Figure Your Short-Term Capital Loss Carryover

(Complete this section only if there is a loss shown on line 8 and line 19. Otherwise, go on to Section C.)

- 25 Enter the loss shown on line 8
- 26 Enter the gain, if any, shown on line 17
- 27 Enter the amount shown on line 24
- 28 Add lines 26 and 27
- 29 Subtract line 28 from line 25. If zero or less, enter zero. This is your short-term capital loss carryover from 1989 to 1990.

Section C—Figure Your Long-Term Capital Loss Carryover

(Complete this section only if there is a loss shown on line 17 and line 19.)

- 30 Enter the loss shown on line 17
- 31 Enter the gain, if any, shown on line 8
- 32 Enter the amount shown on line 24
- 33 Enter the amount, if any, shown on line 25
- 34 Subtract line 33 from line 32. If zero or less, enter zero
- 35 Add lines 31 and 34
- 36 Subtract line 35 from line 30. If zero or less, enter zero. This is your long-term capital loss carryover from 1989 to 1990.

Part V Complete This Part Only If You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value

- 37 Check here if you elect out of the installment method
- 38 Enter the face amount of the note or other obligation
- 39 Enter the percentage of valuation of the note or other obligation

Part VI Reconcile Forms 1099-B for Bartering Transactions

(Complete this part if you received one or more Form(s) 1099-B or an equivalent substitute statement(s) reporting bartering income.)

- 40 Form 1040, line 22
- 41 Schedule C (Form 1040)
- 42 Schedule D (Form 1040)
- 43 Schedule E (Form 1040)
- 44 Schedule F (Form 1040)
- 45 Other form (identify) (if not taxable, indicate reason—attach additional sheets if necessary)
- 46 Total (add lines 40 through 45)

Note: The amount on line 46 should be the same as the total bartering income on all Forms 1099-B and equivalent statements received.

U.S. GOVERNMENT PRINTING OFFICE: 1989-245-171

OMB No. 1545-0074

Capital Gains and Losses

(And Reconciliation of Forms 1099-B)

► Attach to Form 1040. ► See instructions for Schedule D (Form 1040).

► For more space to list transactions for lines 2a and 9a, get Schedule D-1 (Form 1040).

Your social security number

1989

Attachment Sequence No. 12A

Name(s) shown on Form 1040

- 1 Report here the total sales of stocks, bonds, etc., reported for 1989 to you on Form(s) 1099-B or on an equivalent substitute statement(s). If this amount differs from the total of lines 2c and 9c, column (d), attach a statement explaining the difference. See the instructions for line 1 for examples.

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 shares XYZ Co. stock) (b) Date acquired (Mo., day, yr.) (c) Date sold (Mo., day, yr.) (d) Sales price (see instructions) (e) Cost or other basis (see instructions) (f) Loss (subtract (e) from (d)) (g) Gain (subtract (e) from (d))

2a Stocks, Bonds, and Other Securities (Include all Form 1099-B transactions. See instructions.)

(a)	(b)	(c)	(d)	(e)	(f)	(g)
2b Amounts from Schedule D-1, line 2b (attach Schedule D-1)						
2c Total (add column (d) of lines 2a and 2b) ► 2c						
2d Other Transactions (Include Real Estate Transactions From Forms 1099-S)						
3 Short-term gain from sale or exchange of your home from Form 2119, line 8a or 14	3					
4 Short-term gain from installment sales from Form 6252, line 22 or 30	4					
5 Net short-term gain or (loss) from partnerships, S corporations, and fiduciaries	5					
6 Short-term capital loss carryover	6					
7 Add all of the transactions on lines 2a, 2b, and 2d and lines 3 through 6 in columns (f) and (g)	7					8

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

9a Stocks, Bonds, and Other Securities (Include all Form 1099-B transactions. See instructions.)

(a)	(b)	(c)	(d)	(e)	(f)	(g)
9b Amounts from Schedule D-1, line 9b (attach Schedule D-1)						
9c Total (add column (d) of lines 9a and 9b) ► 9c						
9d Other Transactions (Include Real Estate Transactions From Forms 1099-S)						
10 Long-term gain from sale or exchange of your home from Form 2119, line 8a, 10, or 14	10					
11 Long-term gain from installment sales from Form 6252, line 22 or 30	11					
12 Net long-term gain or (loss) from partnerships, S corporations, and fiduciaries	12					
13 Capital gain distributions	13					
14 Enter gain from Form 4797, line 7 or 9	14					
15 Long-term capital loss carryover	15					
16 Add all of the transactions on lines 9a, 9b, and 10 through 15 in columns (f) and (g)	16					17

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule D (Form 1040) 1989

SCHEDULE E
(Form 1040)

 Department of the Treasury
 Internal Revenue Service (b)
 Name(s) shown on return

Supplemental Income and Loss

 (From rents, royalties, partnerships, estates, trusts, REMICs, etc.)
 ▶ Attach to Form 1040 or Form 1041.
 ▶ See instructions for Schedule E (Form 1040).

OMB No. 1545-0074

1989
 Attachment
 Sequence No. 13

Your social security number

Part I Income or Loss From Rentals and Royalties Caution: Your rental loss may be limited. See instructions.

1	Show the kind and location of rental property:	2	For each rental property listed on line 1, did you or your family use it for personal purposes for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year?	Yes	No
A				A	
B				B	
C				C	
D				D	

3 For each rental real estate property listed on line 1, did you actively participate in its operation during the tax year? (See instructions.)

A	B	C	D Totals
			(Add columns A, B, and C)
			4
			5

Rental and Royalty Income:

4	Rents received	
5	Royalties received	

Rental and Royalty Expenses:

6	Advertising	
7	Auto and travel	
8	Cleaning and maintenance	
9	Commissions	
10	Insurance	
11	Legal and other professional fees	
12	Mortgage interest paid to banks, etc. (see instructions)	
13	Other interest	
14	Repairs	
15	Supplies	
16	Taxes	
17	Utilities (see instructions)	
18	Wages and salaries	
19	Other (list) ▶	

20	Add lines 6 through 19	20
21	Depreciation expense or depletion (see instructions)	21
22	Total expenses. Add lines 20 and 21 (see instructions)	22

23	Income or (loss) from rental or royalty properties. Subtract line 22 from line 4. (rents) or line 5 (royalties) if the result is a (loss). See instructions to find out if you must file Form 6198	23
----	--	----

24	Deductible rental loss. Caution: Your rental loss on line 23 may be limited. See instructions to find out if you must file Form 8562	24
----	--	----

25	Income. Add rental and royalty income from line 23. Enter the total income here	25
26	Losses. Add royalty losses from line 23 and rental losses from line 24. Enter the total losses here	26

27	Combine amounts on lines 25 and 26. Enter the net income or (loss) here	27
28	Net farm rental income or (loss) from Form 4835. (Also complete line 43 on page 2.)	28
29	Total rental and royalty income or (loss). Combine amounts on lines 27 and 28. Enter the result here. If Parts II, III, and IV on page 2 do not apply to you, enter the amount from line 29 on Form 1040, line 18. Otherwise, include the amount from line 29 in the total on line 42 on page 2	29

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule E (Form 1040) 1989

Schedule E (Form 1040) 1989

Name(s) shown on return (Do not enter name and social security number if shown on other side.)

Attachment Sequence No. 13

Your social security number

Page 2

Note: If you report amounts from farming or fishing on Schedule E, you must include your gross income from those activities on line 43 below. If you report a loss from an at-risk activity, you MUST check either column (e) or (f) to describe your investment in the activity. See instructions. If you check column (f), you must attach Form 6198.

Part II Income or Loss From Partnerships and S Corporations

30	(a) Name	(b) Enter P for partnership, S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) All is (f) Some is not at risk
A					
B					
C					
D					
E					

31a	Totals	31a
b	Totals	b

32	Add amounts in columns (h) and (k) of line 31a. Enter the total income here	32
33	Add amounts in columns (g), (i), and (j) of line 31b. Enter the total here	33
34	Total partnership and S corporation income or (loss). Combine amounts on lines 32 and 33. Enter the result here and include in the total on line 42 below	34

Part III Income or Loss From Estates and Trusts

35	(a) Name	(b) Employer identification number
A		
B		
C		

36a	Totals	36a
b	Totals	b

37	Add amounts in columns (d) and (f) of line 36a. Enter the total income here	37
38	Add amounts in columns (c) and (e) of line 36b. Enter the total here	38
39	Total estate and trust income or (loss). Combine amounts on lines 37 and 38. Enter the result here and include in the total on line 42 below	39

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

40	(a) Name	(b) Employer identification number	(c) Excess income from Schedule Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
A					
B					
C					

41	Combine amounts in columns (d) and (e) only. Enter the result here and include in the total on line 42 below	41
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Part V Summary of Parts I Through IV

42	TOTAL income or (loss). Combine amounts on lines 29, 34, 39, and 41. Enter the result here and on Form 1040, line 18	42
----	--	----

Part VI Reconciliation of Farming and Fishing Income

43	Farmers and fishermen: Enter your gross farming and fishing income reported in Parts I, II, and III (see instructions)	43
----	--	----

40 U.S. GOVERNMENT PRINTING OFFICE: 1989-265-175

SCHEDULE F

Farm Income and Expenses

Department of the Treasury
Internal Revenue Service (01)

OMB No. 1545-0074

1989
Social security number (SSN)

Sequence No. 14

A Principal product (Describe in one or two words your principal crop or activity for the current tax year.)

C Accounting method ☐ Cash ☐ Accrual

D Did you make an election in a prior year to include Commodity Credit Corporation loan proceeds as income in that year? ☐ Yes ☐ No

E Did you "materially participate" in the operation of this business during 1989? (If "No," see instructions for limitations on losses.) ☐ Yes ☐ No

F Do you elect, or did you previously elect, to currently deduct certain preproductive period expenses? (See instructions.) ☐ Yes ☐ No

G Do you elect, or did you previously elect, to treat certain expenses as incurred when the property is placed in service? (See instructions.) ☐ Yes ☐ No

H Agricultural activity code (from Part IV)

I Employer ID number (Not SSN)

Part I Farm Income—Cash Method—Complete Parts I and II (Accrual method taxpayers complete Parts II and III, and line 11 of Part I)

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

1 Sales of livestock and other items you bought for resale

2 Cost or other basis of livestock and other items you bought for resale

3 Subtract line 2 from line 1

4 Sales of livestock, produce, grains, and other products you raised

5a Total cooperative distributions (Form(s) 1099-PATR) 5a Taxable amount

5b Taxable amount

6a Agricultural program payments (see instructions) 6a Taxable amount

6b Taxable amount

7 Commodity Credit Corporation (CCC) loans

8 CCC loans reported under election (see instructions)

9 CCC loans forfeited or repaid with certificates 7b Taxable amount

7c Taxable amount

8 Crop insurance proceeds and certain disaster payments (see instructions)

9 Amount received in 1989 8a Taxable amount

a If election to defer to 1990 is attached, check here ☐ 8d Amount deferred from 1988

9 Custom hire (machine work) income 8b Taxable amount

10 Other income, including Federal and state gasoline or fuel tax credit or refund (see instructions) 8c Taxable amount

11 Add amounts in the right column for lines 3 through 10. If accrual method taxpayer, enter the amount from page 2, line 51. This is your gross income 8d Taxable amount

Part II Farm Expenses—Cash and Accrual Method (Do not include personal or living expenses such as taxes, insurance, repairs, etc., on your home)

12 Breeding fees

13 Chemicals

14 Conservation expenses (you must attach Form 8645)

15 Custom hire (machine work)

16 Depreciation and section 179 deduction not claimed elsewhere (from Form 4562)

17 Employee benefit programs other than on line 25

18 Feed purchased

19 Fertilizers and lime

20 Freight and trucking

21 Gasoline, fuel, and oil

22 Insurance (other than health)

23 Interest

23a Mortgage (paid to banks, etc.)

23b Other

24 Labor hired (less jobs credit)

25 Pension and profit-sharing plans

26 Rent or lease

26a Machinery and equipment

26b Other (land, animals, etc.)

27 Repairs and maintenance

28 Seeds and plants purchased

29 Storage and warehousing

30 Supplies purchased

31 Taxes

32 Utilities (see instructions)

33 Veterinary fees and medicine

34 Other expenses (specify):

a Other

b Other

c Other

d Other

e Other

35 Add amounts on lines 12 through 34e. These are your total expenses

36 Net farm profit or (loss). Subtract line 35 from line 11. If a profit, enter on Form 1040, line 19, and on Schedule SE, line 1. If a loss, you MUST go to line 37. (Fiduciaries and partnerships, see instructions)

37 If you have a loss, you MUST check the box that describes your investment in this activity (see instructions). If you checked 37a, enter the loss on Form 1040, line 19, and Schedule SE, line 1. If you checked 37b, you MUST attach Form 6198.

37a All investment is at risk

37b Some investment is not at risk

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule F (Form 1040) 1989

Page 2

Part III Farm Income—Accrual Method

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797 and do not include this livestock on line 46 below.

38 Sales of livestock, produce, grains, and other products during year

39a Total cooperative distributions (Form(s) 1099-PATR) 39a Taxable amount

40a Agricultural program payments (see instructions) 40a Taxable amount

41 Commodity Credit Corporation (CCC) loans

a CCC loans reported under election (see instructions)

b CCC loans forfeited or repaid with certificates 41b Taxable amount

42 Crop insurance proceeds

43 Custom hire (machine work) income

44 Other income, including Federal and state gasoline or fuel tax credit or refund (see instructions)

45 Add amounts in the right column for lines 38 through 44

46 Inventory of livestock, produce, grains, and other products at beginning of year

47 Cost of livestock, produce, grains, and other products purchased during year

48 Add lines 46 and 47

49 Inventory of livestock, produce, grains, and other products at end of year

50 Cost of livestock, produce, grains, and other products sold. Subtract line 49 from line 48*

51 Subtract line 50 from line 45. Enter the result here and on page 1, line 11. This is your gross income. 51

* If you use the unit-livestock price method or the farm price method of valuing inventory and the amount on line 49 is larger than the amount on line 48, subtract line 48 from line 49. Enter the result on line 50. Add lines 45 and 50. Enter the total on line 51.

Part IV Principal Agricultural Activity Codes

Select one of the following codes and write the 3-digit number on page 1, line B (Note: If your principal source of income is from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis, you should file Schedule C (Form 1040), Profit or Loss From Business.)

211 Beef cattle feedlots

212 Beef cattle, except feedlots

215 Hogs, sheep, and goats

240 Dairy

250 Poultry and eggs, including chickens, ducks, pigeons, quail, etc.

260 General livestock, not specializing in any one livestock category

270 Animal specialty, including fur-bearing animals, pets, horses, etc.

280 Animal aquaculture, including fish, shellfish, mollusks, frogs, etc., produced within confined space

290 Forest products, including forest nurseries and seed gathering, extraction of pine gum, and gathering of forest products

300 Agricultural production, not specified

U.S. GOVERNMENT PRINTING OFFICE: 1989-255-179

Schedule R
(Form 1040)

Department of the Treasury
Internal Revenue Service (10)

Credit for the Elderly or the Disabled

► For Paperwork Reduction Act Notice, see Form 1040 Instructions.
► Attach to Form 1040.

OMB No. 1545-0074

1989
Attachment
Sequence No. 17

Your social security number

You may be able to use Schedule R to reduce your tax if by the end of 1989

• You were 65 or older, OR

• You were under 65, you retired on permanent and total disability, and you received taxable disability income. Even if one of the situations described above applies to you, you must meet other tests to be able to take the credit on Schedule R. See the separate Schedule R Instructions for details.

Note: In most cases, IRS can figure this credit for you. See page 16 of the Form 1040 Instructions.

Part II Check the Box That Applies to Your Filing Status and Age (Check only one box)

If your filing status is:

And by the end of 1989:

Check box:

Single* 1 You were 65 or older

1 ☐

2 You were under 65 and you retired on permanent and total disability

2 ☐

3 Both spouses were 65 or older

3 ☐

4 Both spouses were under 65, but only one spouse retired on permanent and total disability

4 ☐

5 Both spouses were under 65, and both retired on permanent and total disability

5 ☐

6 One spouse was 65 or older, and the other spouse was under 65 and retired on permanent and total disability

6 ☐

7 One spouse was 65 or older, and the other spouse was under 65 and NOT retired on permanent and total disability

7 ☐

8 You were 65 or older, and you did not live with your spouse at any time in 1989

8 ☐

9 You were under 65, you retired on permanent and total disability, and you did not live with your spouse at any time in 1989

9 ☐

Part III Statement of Permanent and Total Disability (Complete only if you checked the box on line 2, 4, 5, 6, or 9 above)

IF: 1 You filed a physician's statement for this disability for 1983 or an earlier year, or you filed a statement for tax years after 1983 and your physician checked Box 8 on the statement. AND

2 Due to your continued disabled condition you were unable to engage in any substantial gainful activity in 1989, check this box ☐
 If you checked this box, you do not have to file another statement for 1989. If you did not check this box, have your physician complete the following statement.

Physician's Statement

I certify that

Name of disabled person

was permanently and totally disabled on January 1, 1976, or January 1, 1977, OR was permanently and totally disabled on the date he or she retired. If retired after December 31, 1976, enter the date retired ►

Physician: Sign your name on either line A or B below and check the box to the right of your signature.

A The disability has lasted, or can be expected to last, continuously for at least a year.

B There is no reasonable probability that the disabled condition will ever improve.

Physician's name

Physician's signature

Physician's address

Physician's signature

Physician's signature

Physician's signature

Physician's signature

Physician's signature

Physician's signature

Physician's signature

Physician's signature

Physician's signature

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Physician's signature

Physician's signature

Physician's signature

Physician's signature

Physician's signature

Physician's signature

Physician's signature

Instructions for Statement

Physician

A person is permanently and totally disabled when—

1. has lasted, or can be expected to last, continuously for at least a year; or

2. can be expected to lead to death.

physical or mental condition; and

physical or mental condition; and

physical or mental condition; and

physical or mental condition; and

physical or mental condition; and

physical or mental condition; and

physical or mental condition; and

physical or mental condition; and

physical or mental condition; and

physical or mental condition; and

physical or mental condition; and

Schedule R (Form 1040) 1989

Page 2

Part III Figure the Amount of Your Credit

10 Enter: \$5,000 if you checked the box on line 1, 2, 4, or 7 in Part I, OR
\$7,500 if you checked the box on line 3, 5, or 6 in Part I, OR
\$3,750 if you checked the box on line 8 or 9 in Part I.

Caution: If you checked the box on line 8 or 9 in Part I, you MUST complete line 11 below. Otherwise, skip line 11 and enter the amount from line 10 on line 12.

11 Enter on line 11 your taxable disability income (and also your spouse's if you checked the box on line 5 in Part I) that you reported on Form 1040. However, if you checked the box on line 6 in Part I, enter on line 11 the taxable disability income of the spouse who was under age 65 PLUS \$5,000. (For more details on what to include, see the Instructions.)

12 If you completed line 11 above, compare the amounts on lines 10 and 11, and enter the smaller of the two amounts here. Otherwise, enter the amount from line 10.

13 Enter the following pensions, annuities, or disability income that you (and your spouse if you file a joint return) received in 1989 (see Instructions):

a Nontaxable part of social security benefits, and

Nontaxable part of railroad retirement benefits treated as

social security

b Nontaxable veterans' pensions, and

Any other pension, annuity, or disability benefit that is

excluded from income under any other provision of law

c Add lines 13a and 13b. (Even though these income items are not

taxable, they must be included to figure your credit.) If you did not

receive any of the types of nontaxable income listed on line 13a or

13b, enter -0- on line 13c.

14 Enter the amount from Form 1040, line 32

15 Enter \$7,500 if you checked the box on

line 1 or 2 in Part I, OR

\$10,000 if you checked the box on

line 3, 4, 5, 6, or 7 in Part I, OR

\$5,000 if you checked the box

on line 8 or 9 in Part I.

16 Subtract line 15 from line 14. Enter the

result. If line 15 is more than line 14,

enter -0-.

17 Divide the amount on line 16 by 2. Enter the result

18 Add lines 13c and 17. Enter the total

19 Subtract line 18 from line 12. Enter the result. If the result is zero or less, stop here; you cannot take the credit. Otherwise, go on to line 21.

20 Decimal amount used to figure the credit

21 Multiply the amount on line 19 by the decimal amount (15) on line 20. Enter the result here and on

Form 1040, line 42. Caution: If you file Schedule C, D, E, or F (Form 1040), your credit may be

limited. See the instructions for line 21 for the amount of credit you can claim.

U.S. GOVERNMENT PRINTING OFFICE: 1988-332-183

SCHEDULE SE (Form 1040)

Department of the Treasury
Internal Revenue Service, (O)

OMB No. 1545-0074

1989
Attachment
Sequence No. 18

Social Security Self-Employment Tax

► See Instructions for Schedule SE (Form 1040).

► Attach to Form 1040

Name of person with self-employment income (as shown on social security card) Social security number of person with self-employment income ►

Who Must File Schedule SE

You must file Schedule SE if:

- Your net earnings from self-employment were \$400 or more (or you had wages of \$100 or more from an electing church or church-controlled organization), AND
 - Your wages (subject to social security or railroad retirement tax) were less than \$48,000
- Exception.** If you only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner, AND you filed Form 4361 and received IRS approval not to be taxed on those earnings, DO NOT file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 48.

For more information about Schedule SE, see the Instructions.

Note: Most people can use the short Schedule SE on this page. But, you may have to use the longer Schedule SE that is on the back.

Who MUST Use the Long Schedule SE (Section B)

You must use Section B if ANY of the following applies:

- You choose the "optional method" to figure your self-employment tax (see Section B, Part II);
- You are a minister, member of a religious order, or Christian Science practitioner and you received IRS approval (from Form 4361) not to be taxed on your earnings from these sources, but you owe self-employment tax on other earnings;
- You were an employee of a church or church-controlled organization that chose by law not to pay employer social security taxes;
- You had tip income that is subject to social security tax, but you did not report those tips to your employer; OR
- You were a government employee with wages subject ONLY to the 1.45% Medicare part of the social security tax.

Section A—Short Schedule SE

(Read above to see if you must use the long Schedule SE on the back (Section B).)

1	Net farm profit or (loss) from Schedule F (Form 1040), line 36, and farm partnerships, Schedule K-1 (Form 1065), line 14a	1	
2	Net profit or (loss) from Schedule C (Form 1040), line 30, and Schedule K-1 (Form 1065), line 14a (other than farming). See the instructions for other income to report	2	
3	Add lines 1 and 2. Enter the total. If the total is less than \$400, do not file this schedule; you do not owe self-employment tax	3	
4	The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (tier 1) for 1989 is	4	\$48,000.00
5	Total social security wages and tips (from Form(s) W-2) and railroad retirement compensation (tier 1) for 1989 is	5	
6	Subtract line 5 from line 4. Enter the result. If the result is zero or less, stop here; you do not owe self-employment tax	6	
7	Enter the smaller of line 3 or line 6	7	
8	Rate of tax	8	x .15302
9	Self-employment tax. If line 7 is \$48,000, enter \$6,249.60. Otherwise, multiply the amount on line 7 by the decimal amount on line 8 and enter the result. Also enter this amount on Form 1040, line 48	9	

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule SE (Form 1040) 1989

Schedule SE (Form 1040) 1989

Attachment Sequence No. 18

Name of person with self-employment income (as shown on social security card)

Social security number of person with self-employment income ►

Page 2

Section B—Long Schedule SE

(Before completing, see if you can use the short Schedule SE on the other side (Section A).)

- A** If you are a minister, member of a religious order, or Christian Science practitioner, AND you filed Form 4361, but you had \$400 or more of other earnings subject to self-employment tax, continue with Part I and check here ☐ **B** If your only earnings subject to self-employment tax were wages from an electing church or church-controlled organization that is exempt from employer social security taxes and you are not a minister or a member of a religious order, skip lines 1-3b. Enter zero on line 3c and go to line 5a

Part I Figure Social Security Self-Employment Tax

1	Net farm profit or (loss) from Schedule F (Form 1040), line 36, and farm partnerships, Schedule K-1 (Form 1065), line 14a	1	
2	Net profit or (loss) from Schedule C (Form 1040), line 30, and Schedule K-1 (Form 1065), line 14a (other than farming). See instructions for other income to report. (Employees of an electing church or church-controlled organization do not enter your Form W-2 wages on this line. See the instructions.)	2	
3a	Enter the amount from line 1 (or, if you elected the nonfarm optional method, from line 11 below)	3a	
3b	Enter the amount from line 2 (or, if you elected the nonfarm optional method, from line 13 below)	3b	
3c	Add lines 3a and 3b. Enter the total. If the total is less than \$400, do not file this schedule; you do not owe self-employment tax. (Exception: If you were an employee of an electing church or church-controlled organization and the total of lines 3a and 3b is less than \$400, enter zero and complete the rest of this schedule.)	3c	
4	The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (tier 1) for 1989 is	4	\$48,000.00
5a	Total social security wages and tips (from Form(s) W-2) and railroad retirement compensation (tier 1) for 1989 is	5a	
5b	Subtract line 5a from line 4. Enter the result. If the result is zero or less, enter zero and stop here; you do not owe self-employment tax. See instructions to figure your self-employment tax. (Employees of an electing church or church-controlled organization should not include those wages on this line. See instructions.)	5b	
6	Unreported tips subject to social security tax (from Form 4137, line 9) or to railroad retirement tax (tier 1)	6	
7	Add lines 5a and 5b. Enter the total	7	
8	Subtract line 6 from line 7. Enter the result. If the result is zero or less, enter zero and stop here; you do not owe self-employment tax	8	
9	Enter your Medicare qualified government wages. See the instructions to see if you must use the worksheet in these instructions to figure your self-employment tax	9	
10	Enter your Form W-2 wages of \$100 or more from an electing church or church-controlled organization	10	
11	Add lines 9 and 10. Enter the total	11	
12	Enter the smaller of line 8 or line 11	12	
13	Rate of tax	13	x .15302
14	Self-employment tax. If line 12 is \$48,000, enter \$6,249.60. Otherwise, multiply the amount on line 12 by the decimal amount on line 13 and enter the result. Also enter this amount on Form 1040, line 48	14	

Part II Optional Method To Figure Net Earnings (See "Who Can File Schedule SE" in the Instructions.)

See instructions for limitations. Generally, you may use this part only if:

- A** Your gross farm income¹ was more than \$2,400 and your net farm profits² were less than \$1,600; or
- B** Your gross farm income¹ was less than \$1,600 and also less than two-thirds (2/3) of your gross nonfarm income⁴.
- Note:** If line 2 above is two-thirds (2/3) or more of your gross nonfarm income⁴, or if line 2 is \$1,600 or more, you may not use the optional method.
- ¹From Schedule F (Form 1040), line 11, and Schedule K-1 (Form 1065), line 14b. ²From Schedule C (Form 1040), line 7, and Schedule K-1 (Form 1065), line 14c. ³From Schedule F (Form 1040), line 36, and Schedule K-1 (Form 1065), line 14a. ⁴From Schedule C (Form 1040), line 7, and Schedule K-1 (Form 1065), line 14c.

10	Maximum income for optional methods	10	\$1,600.00
11	Farm Optional Method—If you meet test A or B above, enter the smaller of: two-thirds (2/3) of gross farm income from Schedule F (Form 1040), line 11, and farm partnerships, Schedule K-1 (Form 1065), line 14b; or \$1,600. Also enter this amount on line 3a above	11	
12	Subtract line 11 from line 10. Enter the result	12	
13	Nonfarm Optional Method—If you meet test C above, enter the smallest of: two-thirds (2/3) of gross nonfarm income from Schedule C (Form 1040), line 7, and Schedule K-1 (Form 1065), line 14c; or \$1,600; or, if you elected the farm optional method, the amount on line 12. Also enter this amount on line 3b above	13	

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule SE (Form 1040) 1989

4015 Government Printing Office: 1989-245-189

Form
3800Department of the Treasury
Internal Revenue Service**General Business Credit**▶ Attach to your tax return.
▶ See separate instructions.

Name(s) as shown on return

OMB No. 1545-0095

1989
Attachment
Sequence No. **24**

Identifying number

Part I Tentative Credit

- 1 Current year investment credit (Form 3468, Part I, line 6)
- 2 Current year jobs credit (Form 5884, line 4)
- 3 Current year credit for alcohol used as fuel (Form 6478, line 11)
- 4 Current year credit for increasing research activities (Form 6765, line 25)
- 5 Current year low-income housing credit (Form 8586, line 6)
- 6 **Current year general business credit**—Add lines 1 through 5
- 7 Passive activity credits included on lines 1 through 5 (see instructions)
- 8 Subtract line 7 from line 6
- 9 Passive activity credits allowed in 1989 (see instructions)
- 10 Carryforward of general business credit, WIN credit or ESOP credit to 1989 (see instructions)
- 11 Carryback of general business credit to 1989
- 12 Tentative general business credit—Add lines 8 through 11

Part II General Business Credit Limitation Based on Amount of Tax

- 13a Individuals—Enter amount from Form 1040, line 40
- b Corporations—Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1).
- c Other filers—Enter regular tax before credits from your return
- 14 Credits that reduce regular tax before the general business credit—
 - a Credit for child and dependent care expense (Form 2441)
 - b Credit for the elderly or the disabled (Schedule R, Form 1040)
 - c Foreign tax credit (Form 1116 or Form 1118)
 - d Possessions tax credit (Form 9735)
 - e Mortgage interest credit (Form 8396)
 - f Credit for fuel from a nonconventional source
 - g Orphan drug credit (Form 6765)
 - h Total credits that reduce regular tax before the general business credit. Add lines 14a through 14g and enter here
- 15 Net regular tax—Subtract line 14h from line 13
- 16 Tentative minimum tax
 - a Individuals—Enter amount from Form 6251, line 17
 - b Corporations—Enter amount from Form 4626, line 13
 - c Estates and Trusts—Enter amount from Form 8656, Part III, line 10
- 17 Net income tax
 - a Individuals—Add line 15 above and line 19 of Form 6251. Enter the total
 - b Corporations—Add line 15 above and line 13 of Form 4626 less line 15 of Form 4626. Enter the total
 - c Other filers—See instructions
- 18 If line 15 is more than \$25,000, enter 25% of the excess
- 19 Subtract line 16 or line 18, whichever is greater, from line 17. Enter the result. If less than zero, enter zero
- 20 **General business credit**—Enter the smaller of line 12 or line 19. Also enter this amount on Form 1040, line 44; Form 1120, Schedule J, line 4e; Form 1120-A, Part I, line 2a; or on the appropriate line of your return. (Individuals, estates, and trusts see instructions if the credit for increasing research activities is claimed. C corporations see instructions if the investment credit is claimed or if you have undergone a post-1986 "ownership change.")

For Paperwork Reduction Act Notice, see page 1 of the separate instructions to this form.

Form **3800** (1989)

Form 3800 (1989)

Schedule A Computation of Additional General Business Credit Allowed By Section 38(c)(2)—Only Applicable to C Corporations

- 1 Enter the portion of the credit shown on line 12, page 1, that is attributable to the regular investment credit under section 46
- 2 Enter the amount from line 13, Form 4626
- 3 Multiply the amount on line 2 by 25% (25)
- 4 Enter the amount from line 19, page 1
- 5 Enter the portion of the credit shown on line 12, page 1, that is NOT attributable to the regular investment credit under section 46
- 6 Subtract line 5 from line 4 (if less than zero, enter zero)
- 7 Subtract line 6 from line 1 (if less than zero, enter zero)
- 8 For purposes of this line only, recompute the amount on line 11, Form 4626, by using zero on line 7, Form 4626, and enter the result here
- 9 Multiply the amount on line 8 by 10% (10)
- 10 Enter the amount from line 15, page 1
- 11 Subtract line 9 from line 10. Form 4626 and enter the result here
- 12 Add lines 10 and 11
- 13 Enter the amount from line 20, page 1
- 14 Subtract line 13 from line 12
- 15 Subtract line 9 from line 14
- 16 Enter the smallest of line 3, line 7, or line 15
- 17 Subtract line 16 from line 2
- 18 Enter the greater of line 17, above, or line 18, page 1
- 19 Subtract line 18, above, from line 17, page 1. DO NOT enter more than the amount on line 12, page 1.
- 20 Enter the lesser of line 19, above, or line 15, page 1. Enter this amount also on line 20, page 1, instead of the amount previously computed on that line. Write "Sec. 38(c)(2)" in the margin next to your entry on line 20, page 1
- 21 If line 19, above, is greater than line 20, above, enter the excess here and on line 14, Form 4626

Form **8582** **Passive Activity Loss Limitations**
 Department of the Treasury
 Internal Revenue Service
 OMB No. 1545-1008
1989
 Sequence No. 88

Identifying number

Part I Computation of 1989 Passive Activity Loss

Caution: See the Instructions for Worksheets 1 and 2 on pages 6 and 7 before completing Part I.
Rental Real Estate Activities with Active Participation: For the definition of active participation see Active Participation in a Rental Real Estate Activity in the Instructions.

Activities acquired before 10-23-86 (Pre-enactment):

- 1a Activities with net income (from Worksheet 1, Part 1, column (a))
 1b Activities with net loss (from Worksheet 1, Part 1, column (b))
 1c Combine lines 1a and 1b

Activities acquired after 10-22-86 (Post-enactment):

- 1d Activities with net income (from Worksheet 1, Part 2, column (a))
 1e Activities with net loss (from Worksheet 1, Part 2, column (b))
 1f Combine lines 1d and 1e

- 1g Net income or (loss). Combine lines 1c and 1f
 1h Prior year unallowed losses (from Worksheet 1, Part 1 and 2, column (c))
 1i Combine lines 1g and 1h

All Other Passive Activities

Activities acquired before 10-23-86 (Pre-enactment):

- 2a Activities with net income (from Worksheet 2, Part 1, column (a))
 2b Activities with net loss (from Worksheet 2, Part 1, column (b))
 2c Combine lines 2a and 2b

Activities acquired after 10-22-86 (Post-enactment):

- 2d Activities with net income (from Worksheet 2, Part 2, column (a))
 2e Activities with net loss (from Worksheet 2, Part 2, column (b))
 2f Combine lines 2d and 2e

2g Net income or (loss). Combine lines 2c and 2f

2h Prior year unallowed losses (from Worksheet 2, Parts 1 and 2, column (c))

2i Combine lines 2g and 2h

3 Combine lines 1i and 2i. If the result is net income or -0-, see the Instructions for line 3. If this line and line 1c or line 1e are losses, go to line 4. Otherwise, enter -0- on lines 8 and 9 and go to line 10.

Part II Computation of the Special Allowance for Rental Real Estate With Active Participation

Note: Treat all numbers entered in Parts II and III as positive amounts. (See Instructions on page 7 for examples.)

4 Enter the smaller of the loss on line 1i or the loss on line 3. If line 1i is -0- or net income, enter -0- and complete lines 5 through 9.

5 Enter \$150,000. If married filing separately, see the Instructions.

6 Enter modified adjusted gross income, but not less than -0- (see Instructions).

Note: If line 6 is equal to or greater than line 5, skip line 7. Enter -0- on lines 8 and 9, and then go to line 10. Otherwise, go to line 7.

7 Subtract line 6 from line 5.

8 Multiply line 7 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see Instructions.

9 Enter the smaller of line 4 or line 8.

Part III Computation of Passive Activity Loss Allowed

10 Combine lines 1c and 2c. If the result is net income or -0-, skip to line 16. (See Instructions.)

11 If line 1c shows income, has no entry, or shows -0-, enter -0-. Otherwise, enter the smaller of line 1c or line 8.

12 Subtract line 11 from line 10. If line 11 is equal to or greater than line 10, enter -0-.

13 Subtract line 9 from line 3.

14 Enter the smaller of line 12 or line 13.

15 Multiply line 14 by 20% (.2) and enter the result.

16 Enter the amount from line 9.

17 **Passive activity loss allowed for 1989.** Add lines 15 and 16.

18 Add the income, if any, on lines 1a, 1d, 2a, and 2d and enter the total.

19 **Total losses allowed from all passive activities for 1989.** Add lines 17 and 18. See the Instructions to find out how to report the losses on your tax return.

For Paperwork Reduction Act Notice, see separate Instructions.

Form **8582** (1989)

Form **6251** **Alternative Minimum Tax—Individuals**
 Department of the Treasury
 Internal Revenue Service
 OMB No. 1545-0227
1989
 Attachment No. 32

Your social security number

1 Taxable income from Form 1040, line 37 (can be less than zero).

2 Net operating loss deduction, if any, from Form 1040, line 22. (Enter as a positive amount.)

3 Add lines 1 and 2.

4 **Adjustments:** (See Instructions before completing.)

a Standard deduction, if applicable, from Form 1040, line 34

b Personal exemption amount from Form 1040, line 36

c Medical and dental expense

d Miscellaneous itemized deductions from Schedule A (Form 1040), line 24

e Taxes from Schedule A (Form 1040), line 8

f Refund of taxes

g Personal interest from Schedule A (Form 1040), line 12b

h Other interest adjustments

i Combine lines 4a through 4h

j Depreciation of property placed in service after 1986

k Circulation and research and experimental expenditures paid or incurred after 1986

l Mining exploration and development costs paid or incurred after 1986

m Long-term contracts entered into after 2/28/86

n Pollution control facilities placed in service after 1986

o Installment sales of certain property

p Adjusted gain or loss

q Certain loss limitations

r Tax shelter farm loss

s Passive activity loss

t Beneficiaries of estates and trusts

u Combine lines 4j through 4t

5 **Tax preference items:** (See Instructions before completing.)

a Appreciated property charitable deduction

b Tax-exempt interest from private activity bonds issued after 8/7/86

c Depletion

d Add lines 5a through 5c.

e Accelerated depreciation of real property placed in service before 1987

f Accelerated depreciation of leased personal property placed in service before 1987

g Amortization of certified pollution control facilities placed in service before 1987

h Intangible drilling costs

i Add lines 5d through 5h.

j Combine lines 3, 4i, 4u, 5d, and 5i.

6 Alternative tax net operating loss deduction. (Do not enter more than 90% of line 6.) See Instructions.

7 Alternative minimum taxable income (subtract line 7 from line 6). If married filing a separate return, see Instructions.

8 Enter \$40,000 (\$20,000 if married filing separately; \$30,000 if single or head of household).

9 Enter \$150,000 (\$75,000 if married filing separately; \$112,500 if single or head of household).

10 Subtract line 10 from line 8. If the result is -0- or less, enter -0- here and on line 12 and go to line 13.

11 Multiply line 11 by 25% (.25).

12 Subtract line 12 from line 9. If the result is -0- or less, enter -0- here and on line 19.

13 Subtract line 13 from line 8. If the result is -0- or less, enter -0- here and on line 19.

14 Multiply line 14 by 21% (.21).

15 Alternative minimum tax foreign tax credit. See Instructions.

16 Tentative minimum tax (subtract line 15 from line 14).

17 Enter your tax from Form 1040, line 38, minus any foreign tax credit on Form 1040, line 43. If an amount is entered on line 39 of Form 1040, see Instructions.

18 **Alternative minimum tax** (subtract line 18 from line 17). Enter on Form 1040, line 49. If the result is -0- or less, enter -0-. If completing this form for a child under age 14, see the Instructions for the amount to enter.

For Paperwork Reduction Act Notice, see separate Instructions.

Form **6251** (1989)

• U.S. GPO: 1989 O 245-354

Worksheet 4—Allocation of Unallowed Losses (See Instructions on page 8.)

Name of activity	Forms or schedules to be reported on	(a) Loss (See Instructions.)	(b) Ratio (See Instructions.)	(c) Unallowed loss (See Instructions.)
Total			1.00	

Worksheet 5—Allowed Losses (See Instructions on page 8.)

Name of activity	Forms or schedules to be reported on	(a) Loss (See Instructions.)	(b) Unallowed loss (See Instructions.)	(c) Allowed loss (See Instructions.)
Total				

Worksheet 6—Activities With Losses Reported on 2 or More Different Forms or Schedules (See Instructions on page 8.)

Name of Activity:	(a) (See Instr.)	(b) (See Instr.)	(c) Ratio (See Instr.)	(d) Unallowed loss (See Instr.)	(e) Allowed loss (See Instr.)
Form or Schedule to be Reported on:					
1a Net loss plus prior year unallowed loss from form or schedule					
b Net income from form or schedule					
c Subtract line 1b from line 1a. If -0- or less, enter -0-					
Form or Schedule to be Reported on:					
1a Net loss plus prior year unallowed loss from form or schedule					
b Net income from form or schedule					
c Subtract line 1b from line 1a. If -0- or less, enter -0-					
Form or Schedule to be Reported on:					
1a Net loss plus prior year unallowed loss from form or schedule					
b Net income from form or schedule					
c Subtract line 1b from line 1a. If -0- or less, enter -0-					
Total			1.00		

Caution: The worksheets are not required to be filed with your tax return and may be detached before filing Form 8582. Keep a copy of the worksheets for your records.

Worksheet 1—For Form 8582, Lines 1a, 1b, 1d, 1e, and 1h (See Instructions on page 6.)

Part 1—Pre-enactment interests	Current year	Prior year	Overall gain or loss
Name of activity	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1h)
			(d) Gain
			(e) Loss
Total. Enter on Form 8582, lines 1a and 1b			
Part 2—Post-enactment interests	Current year	Prior year	Overall gain or loss
Name of activity	(a) Net income (line 1d)	(b) Net loss (line 1e)	(c) Unallowed loss (line 1h)
			(d) Gain
			(e) Loss
Total. Enter on Form 8582, lines 1d and 1h			

Worksheet 2—For Form 8582, Lines 2a, 2b, 2d, 2e, and 2h (See Instructions on page 7.)

Part 1—Pre-enactment interests	Current year	Prior year	Overall gain or loss
Name of activity	(a) Net income (line 2a)	(b) Net loss (line 2b)	(c) Unallowed loss (line 2h)
			(d) Gain
			(e) Loss
Total. Enter on Form 8582, lines 2a and 2b			
Part 2—Post-enactment interests	Current year	Prior year	Overall gain or loss
Name of activity	(a) Net income (line 2d)	(b) Net loss (line 2e)	(c) Unallowed loss (line 2h)
			(d) Gain
			(e) Loss
Total. Enter on Form 8582, lines 2d and 2h			

Worksheet 3—Use this worksheet if an amount is shown on Form 8582, line 9 (See Instructions on page 8.)

Name of activity	Form or schedule to be reported on	(a) Loss (See Instructions.)	(b) Ratio (See Instructions.)	(c) Special allowance (See Instructions.)	(d) Subtract column (c) from column (a)
Total			1.00		

8615

Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,000

Department of the Treasury
Internal Revenue Service

1989
Attachment
Sequence No. 33

General Instructions

Purpose of Form. For children under age 14, investment income (such as taxable interest and dividends) over \$1,000 is taxed at the parent's rate if the parent's rate is higher than the child's rate.

Do not use this form if the child's investment income is \$1,000 or less. Instead, use Form 1040. For example, if the child has \$900 of taxable interest income and \$200 of taxable dividends, the child's total investment income is \$1,100. Form 8615 is not required to be completed and the child's tax should be figured on Form 1040 using the Tax Table.

If the child's investment income is more than \$1,000, use this form to see if any of the child's investment income is taxed at the parent's rate and, if so, to figure the child's name shown on return.

1989, do not use Form 8615. Instead, figure the child's tax based on his or her own rate.

1989, do not use Form 8615. Instead, figure the child's tax based on his or her own rate.

Note: Beginning in 1989, the parent may be able to elect to report the child's investment income on his or her return. If the parent makes this election, the child will not have to file a return or Form 8615. For more details, see the instructions for Form 1040 or Form 1040A, or get Form 8814, Parent's Election to Report Child's Interest and Dividends.

Additional information. For more information about the tax on investment income of children, please get Pub. 929, Tax Rules for Children and Dependents.

Who Must File. Generally, Form 8615 must be filed for any child who was under age 14 on January 1, 1990, and who had more than \$1,000 of investment income. If neither parent was alive on December 31, 1989, do not use Form 8615. Instead, figure the child's tax based on his or her own rate.

(Instructions continue on back.)

Child's social security number

Parent's social security number

Parent's filing status (check one) ☐ Single, ☐ Married filing jointly, ☐ Head of household, or ☐ Qualifying widow(er)

Enter number of exemptions claimed on parent's return ☐

Step 1 Figure child's net investment income

1 Enter the child's investment income, such as taxable interest and dividend income (see the instructions). (If this amount is \$1,000 or less, stop here; do not file this form.)

2 If the child DID NOT itemize deductions on Schedule A (Form 1040 or Form 1040NR), enter \$1,000. If the child ITEMIZED deductions, see the instructions.

3 Subtract the amount on line 2 from the amount on line 1. Enter the result. (If zero or less, stop here; do not complete the rest of this form but ATTACH it to the child's return.)

4 Enter the child's taxable income (from Form 1040, line 37; Form 1040A, line 19; or Form 1040NR, line 35).

5 Compare the amounts on lines 3 and 4. Enter the smaller of the two amounts here.

Step 2 Figure tentative tax based on the tax rate of the parent listed above

6 Enter the parent's taxable income (from Form 1040, line 37; Form 1040A, line 19; Form 1040EZ, line 5; or Form 1040NR, line 35). But if the parent transferred property to a trust, see the instructions.

7 Enter the total, if any, of the net investment income from Forms 8615, line 5, of ALL OTHER children of the parent. (Do not include the amount on line 5 above.)

8 Add the amounts on lines 6, 7, and 8. Enter the total.

9 Tax on the amount on line 8 based on the parent's filing status.

10 Enter the parent's tax (from Form 1040, line 38; Form 1040A, line 20; Form 1040EZ, line 7; or Form 1040NR, line 36).

11 Subtract the amount on line 10 from the amount on line 9. Enter the result. (If no amount is entered on line 7, enter the amount from line 11 on line 13; skip lines 12a and 12b.)

12a Add the amounts on lines 5 and 7. Enter the total.

12b Multiply the amount on line 11 by the decimal amount on line 12a. Enter the result.

Step 3 Figure child's tax

Note: If the amounts on lines 4 and 5 are the same, skip to line 16.

14 Subtract the amount on line 5 from the amount on line 4. Enter the result.

15 Tax on the amount on line 14 based on the child's filing status.

16 Add the amounts on lines 13 and 15. Enter the total.

17 Tax on the amount on line 4 based on the child's filing status.

18 Compare the amounts on lines 16 and 17. Enter the larger of the two amounts here and on Form 1040, line 38; Form 1040A, line 20; or Form 1040NR, line 36. Be sure to check the box for "Form 8615."

For Paperwork Reduction Act Notice, see back of form.

Form 8615 (1989)

Paperwork Reduction Act Notice.

We ask you to complete this form only if you have investment income of more than \$1,000. We need it to figure your tax. If you are not required to file this form, you should not file it. If you are required to file this form, you should file it with your return. The time needed to give us this information. You are required to complete and file this form will vary depending on individual circumstances. The estimated average time is 15 minutes.

Recordkeeping 13 minutes

Learning about the law or the form 11 minutes

Preparing the form 37 minutes

Copying, assembling, and sending the form to IRS 17 minutes

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more useful, we would be happy to hear from you. You can write to either IRS or the Office of Management and Budget at the addresses listed in the instructions for the tax return in which this form is filed.

Line-by-Line Instructions

We have provided specific instructions for most of the lines on the form. Those lines that do not appear in these instructions are self-explanatory.

Parent's Name and Social Security Number. If the child's parents were married to each other and filed a joint return, enter the name and social security number of the parent who is listed first on the joint return. For example, if the father's social security number is entered in the box labeled "Your social security number," enter his name and social security number in the spaces provided on Form 8615.

If the parents were married but filed separate returns, enter the name and social security number of the parent who had the higher taxable income. If you do not know which parent had the higher taxable income, see Pub. 929.

The parents were unmarried, treated as unmarried, or separated either by a divorce or separate maintenance decree, enter the name and social security number of the parent who had custody of the child for most of the year (the custodial parent). **Exception.** If the custodial parent remarried and filed a joint return with his or her spouse, enter the name and social security number of the parent who is listed first on the joint return, even if that person is not the child's parent. If the custodial parent and his or her spouse filed separate returns, enter the name and social security number of the parent with the higher taxable income, even if that person is not the child's parent.

Incomplete Information for Parent. If a parent or guardian of a child cannot obtain Form 8615 before the due date of the parent's return, reasonable estimates of the child's return, reasonable estimates of the net investment income of the parent's other children may be made. The appropriate line of Form 8615 must be marked "Estimated." For more information, see Pub. 929.

Line 1. If the child had no earned income (defined below), enter the child's adjusted gross income from Form 1040, line 33; Form 1040A, line 14; or Form 1040NR, line 31.

If the child had earned income, use the following worksheet to figure the amount to enter on line 1. However, if any of the following applies, use the worksheet in Pub. 929 instead of the one below to figure the amount to enter on Form 8615, line 1.

- The child files Form 2555, Foreign Earned Income.
- The child had a net loss from self-employment.
- The child claims a net operating loss deduction.

Worksheet (keep for your records)

1. Enter the amount from line 1 of Form 1040, line 23, or Form 1040A, line 23, or Form 1040NR, line 23, whichever applies.

2. Enter the child's earned income (defined below) plus any deduction the child claims on Form 1040, line 28, or Form 1040NR, line 27, whichever applies.

3. Subtract the amount on line 1 from the amount on line 2. Enter the result here and on Form 8615, line 1.

Earned income includes wages, tips, and other payments received for personal services performed. Generally, earned income includes income from Form 1040, line 7; Form 1040A, line 7; or Form 1040NR, lines 8, 13, and 20.

Line 2. If the child itemized deductions on Schedule A (Form 1040 or Form 1040NR), enter on line 2 the greater of

- \$500 plus the portion of the amount on Schedule A (Form 1040), line 26 (or Schedule A (Form 1040NR), line 10), that is directly connected with the production of the investment income on Form 8615, line 1; OR
- \$1,000

Line 6. Enter the taxable income shown on the tax return of the parent identified at the top of Form 8615. If the parent's taxable income is less than zero, enter zero on line 6.

If the parent filed a joint return, enter the total taxable income shown on that return even if the parent's spouse is not the child's parent.

Caution: If the parent transferred property to a trust which sold or exchanged the property during the year at a gain, include any gain that was taxed to the trust under Internal Revenue Code section 644 in the amount entered on line 6. Write "Section 644" in the space provided on line 6. Also, see the Caution below line 10.

Line 7. If the individual identified as the parent on this Form 8615 is also identified as the parent on any other Form 8615, add the amounts, if any, from line 5 on each of the other Forms 8615 and enter the total on line 7.

Lines 9, 15, and 17. Figure the tax using the Tax Table or Tax Rate Schedules, whichever applies.

Line 10. Enter the tax shown on the tax return of the parent identified at the top of Form 8615. If the parent's spouse is not the child's parent, enter the tax shown on that return even if the parent's spouse is not the child's parent.

Caution: If line 6 includes any gain taxed to a trust under Internal Revenue Code section 644(a)(2)(A), to the tax shown on section 644(a)(2)(A) to the tax shown on the parent's return. Enter the total on line 10 instead of entering the tax from the parent's return on line 10.

Line 18. Compare the amounts on lines 16 and 17 and enter the larger of the two amounts on line 18. Be sure to check the box for "Form 8615" on the appropriate line of the child's tax return even if the amount on line 17 is the larger of the two amounts.

Amended Return. If after the child's return is filed, the parent's taxable income is changed or the net investment income of any of the parent's other children is changed, the child's tax must be refigured. The child's tax should be refigured and the child's tax changed as a result of the adjustments(s), file Form 1040X, Amended U.S. Individual Income Tax Return, to correct the child's tax.

Alternative Minimum Tax. A child whose tax is figured on Form 8615 may be subject to the alternative minimum tax. Get Form 6251, Alternative Minimum Tax-Individuals, to see if the child owes this tax.

Form 8801

Credit For Prior Year Minimum Tax

OMB No. 1545-1073

1989

▶ Attach to your tax return.

▶ See instructions on back.

Attachment No. 74

Department of the Treasury

Internal Revenue Service

Name(s) shown on return

Identifying number

Part I Computation of Net Minimum Tax on Exclusion Items

- 1 Enter taxable income (loss) from line 3 of your 1988 Form 6251, or line 1 of your 1988 Form 4626.
- 2 Enter adjustments and tax preference items treated as exclusion items. See instructions.
- 3 Minimum tax credit net operating loss deduction. See instructions.
- 4 Combine lines 1 through 3. If the result is -0- or less, enter -0-. Here and on line 15, and see the instructions. Otherwise, go to line 5.
- 5 Exemption amount. Enter amount from line 9 of your 1988 Form 6251, or line 9a of your 1988 Form 4626. Form 8556 filers, enter \$20,000.
- 6 Phase-out of exemption. Enter amount from line 10 of your 1988 Form 6251, or line 9b of your 1988 Form 4626. Form 8556 filers, enter \$75,000.
- 7 Subtract line 6 from line 4. If the result is -0- or less, enter -0-. Here and on line 8 and go to line 9. Otherwise, go to line 8.
- 8 Multiply line 7 by 25% (.25) and enter the result.
- 9 Subtract line 8 from line 5. If the result is -0- or less, enter -0-.
- 10 Subtract line 9 from line 4. If the result is -0- or less, enter -0-. Here and on line 15, and see the instructions for line 10.
- 11 Form 6251 and Form 8556 filers, multiply line 10 by 21% (.21). Form 4626 filers, multiply line 10 by 20% (.20).
- 12 Minimum tax foreign tax credit on exclusion items. See instructions.
- 13 Tentative minimum tax on exclusion items. Subtract line 12 from line 11.
- 14 Enter the amount from line 18 of your 1988 Form 6251, line 15 of your 1988 Form 4626, or line 11c, Part III, of your 1988 Form 8556.
- 15 Net minimum tax on exclusion items. Subtract line 14 from line 13. If the result is -0- or less, enter -0-.

Part II Computation of Allowable Minimum Tax Credit

- 16 Enter amount from line 19 of your 1988 Form 6251; the sum of lines 14 and 16 of your 1988 Form 4626; or line 12, Part III, of your 1988 Form 8556.
- 17 Enter amount from line 15 above.
- 18 Subtract line 17 from line 16. If line 17 is greater than line 16, enter the result as a negative amount.
- 19 Carryforward of minimum tax credit from 1988. Enter amount from line 26 of your 1988 Form 8801. See the instructions.
- 20 Enter your 1988 unallowed credit for producing fuel from a nonconventional source. See the instructions.
- 21 Combine lines 18, 19, and 20. If the result is -0- or less, stop here and do not complete the rest of the form. Otherwise, go to line 22.
- 22 Enter your 1989 regular income tax liability minus allowable tax credits. See the instructions.
- 23 Enter the amount from line 17 of your 1989 Form 6251, line 13 of your 1989 Form 4626, or line 10, Part III, of your 1989 Form 8556.
- 24 Subtract line 23 from line 22. If the result is -0- or less, enter -0-.
- 25 Allowable minimum tax credit. Enter the smaller of line 21 or line 24. Also enter this amount on the appropriate line of your 1989 tax return (see instructions).

Part III Computation of Minimum Tax Credit Carryforward to 1990

- 26 Enter amount from line 21 above.
- 27 Enter amount from line 25 above.
- 28 Carryforward of minimum tax credit to 1990. Subtract line 27 from line 26. See the instructions.

General Instructions

(Section references are to the Internal Revenue code.)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to figure and collect the right amount of tax. You are not required to give us this information.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** 1 hr., 33 min.
Learning about the law or the form 1 hr., 6 min.
Preparing the form 1 hr., 3 min.
Copying, assembling, and sending the form to IRS 17 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to either the IRS or the Office of Management and Budget at the address below.

Return with which this form is filed.

Who Should File

Form 8801 should be completed by individuals, corporations, trusts, and estates that:

- had adjustment and tax preference items in 1986; or
- had a minimum tax credit carryforward from 1986 to 1989; or

Form 8801 (1989)

- had a 1987 unallowed nonconventional source fuel credit (see instructions for line 19 of this form); or
- had a 1988 unallowed nonconventional source fuel credit (see instructions for line 20 of this form).

Recordkeeping.—Use Form 8801 each year to track of any credit carryforward you can use in 1989. (See line 28 of your 1988 Form 8801.) For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

- For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

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Exclusion items included in adjusted net book income will not be taken into account for purposes of the minimum tax credit.

Line 3—Minimum tax net operating loss deduction.—Enter the amount of the net operating loss deduction (NOL) for 1988 determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

• For less years beginning after 1986, an NOL determined under section 172, subject to the following rules:

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Line 19.—If line 16 of your 1988 Form 8801 exceeds line 15 of that form, and you also had a 1987 unallowed credit for producing fuel from a nonconventional source that was disallowed solely because of the limitation under section 250(c)(5)(B), make the following computation.

Add line 15 of your 1988 Form 8801 to your 1987 unallowed nonconventional source fuel credit. Enter the result on line 19 of your 1988 Form 8801. If there is no excess, enter zero (-0-) on line 19 of this form.

Line 20.—Enter the unused portion of your 1988 credit for producing fuel from a nonconventional source that was disallowed solely because of the limitation under section 250(c)(5)(B).

Line 21.—If line 21 is zero or a negative amount, you do not have a minimum tax credit or a minimum tax credit carryforward. Do not complete the rest of this form.

Line 22.—Enter the amount from line 22 of your 1989 income tax return to figure the amount to enter on line 22.

Form 1040 Filers.—Subtract from the amount on line 40 the total of any credits shown on lines 41 through 44 and any write-in credits on line 46. Enter the result on line 22 of this form.

Form 1040NR Filers.—Subtract from the amount on line 38 the total of any credits shown on lines 39 through 41 and any write-in credits on line 43. Enter the result on line 22 of this form.

Form 1120 Filers.—Subtract the total of any credits shown on lines 22 through 24 of Schedule G from the amount on line 1 of this form. Enter the result on line 22 of this form.

Form 1120-S Filers.—Subtract the total of any credits shown on lines 22 through 24 of Schedule J from the amount on line 3 of Schedule J. Enter the result on line 22 of this form.

Form 1120-A Filers.—Subtract the amount shown on line 2a of Part I from the amount on line 1 of Part I. Enter the result on line 22 of this form.

Line 25.—Form 1040 Filers.—Enter the minimum tax credit on line 42.

Form 1040NR Filers.—Enter the minimum tax credit on line 20 of Schedule G.

Form 1120 Filers.—Enter the minimum tax credit on line 41 of Schedule J.

Form 1120-S Filers.—Enter the minimum tax credit on line 20 of Schedule J.

All Other Filers.—Enter the minimum tax credit on the line provided on the tax return you file on the line provided on the tax return you file.

Notes: Section 383 may limit the amount of tax of a corporation for any tax year ending after a post-1996 ownership change that may be offset by pre-change minimum tax credits. This allowable minimum tax credit, enter that amount on line 25, and write "Sec. 383" on the dotted line to the left of line 25.

Line 28.—Carryforward of minimum tax credit.—Keep a record of this amount because it can be carried forward and used in future years.

Form 8814 **Parent's Election To Report Child's Interest and Dividends** Department of the Treasury Internal Revenue Service

1989
Attachment Sequence No. **40**

General Instructions

Purpose of Form.—Use this form if you

are a parent and choose to report a child's income on this form. If you do, the child will not have to file a return. You can file this form only if your child:

- Was under age 14 on January 1, 1990;
- Had income only from interest and dividends (including Alaska Permanent Fund dividends);
- Had gross income for 1989 that was more than \$500 but less than \$5,000;

and you have not elected to report the child's income on Form 1040 or Form 1040NR.

Caution: The Federal income tax on your child's income may be less if you file a tax return for the child instead of making this election. This is because you cannot take certain deductions that you can take on the child's return. For details, see **Deductions You May Not Take** on page 2.

Step 1 is used to figure the amount of the child's income to report on the parent's return. **Step 2** is used to figure an additional tax that must be added to the parent's tax.

(Instructions continue on back.)

Your social security number

Child's social security number

Child's name (first, initial, and last)

Caution: If more than one Form 8814 is attached, check here ☐

Step 1 **Figure amount of child's interest and dividend income to report on your return**

1a Enter your child's taxable interest income. If this amount is different than the amounts shown on the child's Forms 1099-INT and 1099-DIV, see the instructions.

b Enter your child's tax-exempt interest income. Do NOT include this amount on line 1a.

2a Enter your child's gross dividends (including any Alaska Permanent Fund dividends). If none, enter zero on line 2c and go to line 3. If your child received any capital gain distributions or dividends as a nominee, see the instructions.

b Enter your child's nontaxable distributions (from Form 1099-DIV, Box 10) included on line 2a.

c Subtract line 2b from line 2a. Enter the result.

3 Add lines 1a and 2c. Enter the total. If the total is \$1,000 or less, skip lines 4 and 5 and go to line 6. If the total is \$5,000 or more, do not file this form. Your child must file his or her own return to report the income.

4 Base amount

5 Subtract line 4 from line 3. Enter the result. (If filing more than one Form 8814, see the instructions.) Also include this amount in the total on Form 1040, line 22, or Form 1040NR, line 22 in the space next to line 22, write "Form 8814," and show the amount. Go on to line 6.

Step 2 **Figure your tax on the first \$1,000 of child's interest and dividend income**

6 Amount not taxed

7 Subtract line 6 from line 3. Enter the result. If the result is zero or less, enter zero.

8 Tax. • If the amount on line 7 is \$500 or more, enter \$75 here. (Also, see the Note below for where to enter it on your tax return.)

• If the amount on line 7 is less than \$500, multiply the amount on line 7 by 15% (.15). Enter the result here. (Also, see the Note below for where to enter it on your tax return.)

Note: Include the amount from line 8 in the tax you enter on Form 1040, line 38, or Form 1040NR, line 36. On Form 1040, also enter the amount from line 8 in the space provided next to line 38. On Form 1040NR, write the amount from line 8 and "Form 8814" on the dotted line next to line 36. (If filing more than one Form 8814, see the instructions.)

For Paperwork Reduction Act Notice, see back of form.

Form **8814** (1989)

General Instructions *(continued)*

Parents Who Qualify To Make the Election.—You qualify to make this election if you file Form 1040 or Form 1040NR and any of the following applies to you:

- You and the child's other parent were married to each other and you are filing a joint return for 1989.
- You and the child's other parent were married to each other but you file separate returns for 1989 and you had the higher taxable income. (If you do not know if you had the higher taxable income, get Pub. 929, Tax Rules for Children and Dependents.)
- You were unmarried. Treated as an unremarried spouse for Federal income tax purposes, you are considered to be married if you are living with your child's other parent by choice or separate maintenance decree. You must have had custody of your child for most of the year (you were the custodial parent). If you were the custodial parent and you remarried, you may make the election on a joint return with your new spouse. But if you and your new spouse (your child's stepmother or stepfather) are filing a joint return, you must file the election only if you had higher taxable income than your new spouse.

Deductions You May Not Take.—If you elect to report your child's income on your return, you may not reduce that income by any of the following deductions that your child would be entitled to on his or her own return.

- Standard deduction of \$1,250 for a blind child.
- Penalty on early withdrawal of child's savings.
- Itemized deductions (such as child's investment expenses or charitable contributions).

If any of the above applies to your child, you should figure the tax on the child's income on his or her own return. If you elect to report the income on your return to find out which results in the lowest amount of tax.

How To Make the Election.—To make the election, complete and attach Form 8814 to your tax return and file your return by the due date (including extensions).

Additional Information.—For more information about the election, get Pub. 929.

Line-by-Line Instructions **Parent's Name and Social Security Number.**—Enter the name(s) shown on your return. If filing a joint return, enter the social security number of the person whose name is shown first on the return.

Line 1a.—Enter ALL taxable interest income received by your child in 1989. If your child received a Form 1099-INT for bonds, write the amount and "Tax-exempt interest" on the dotted line next to line 1a. Be sure to include this interest on line 1b but do not include it in the total for line 1a.

Line 1b.—If your child received, as a nominee, interest that actually belongs to another person, write the amount and "ND" (for nominee distribution) on the dotted line next to line 1a. Do not include amounts received as a nominee in the total for line 1a.

Line 2a.—If your child had accrued interest on a bond premium (APB) allowed as a reduction discount (OID) included on line 1a is less than the amount shown on your child's Form 1099-DIV, follow the instructions above for nominee interest to see how to report the nontaxable amounts. But, on the dotted line next to line 2a, write "APB adjustment" or "OID adjustment," whichever applies. Do not include any nontaxable amounts in the total for line 1a.

Line 2b.—If your child received any tax-exempt interest income, such as interest on certain state and municipal bonds, enter the total tax-exempt interest on line 1b. Also include any exempt-interest dividends your child received as a shareholder in a mutual fund or other investment company. Do not include this interest on lines 1a or 3.

Notes: If line 1b includes tax-exempt interest (or exempt-interest dividends paid by a regulated investment company) from private activity bonds, see **Alternative Minimum Tax**, on this page.

Line 2a.—Enter gross dividends received by your child in 1989, including capital gain distributions and nontaxable distributions in Form 1099-DIV shows gross dividends in Box 1a. Also include dividends you child received through a trust, estate, or corporation, or an estate or trust.

If your child received, as a nominee, dividends that actually belong to another person, write the amount and "ND" (for nominee distribution) on the dotted line next to line 2a. Do not include amounts received as a nominee in the total for line 2a.

If line 2a includes any capital gain distributions (from Form 1099-DIV, Box 1c), and you have gains or losses to report on Schedule D, part of all of your child's dividends should be reported on Form 8814, line 5. Before you enter an amount on line 5, see Pub. 929 for details on how to figure the amount to report on your return.

Line 5.—If you are filing more than one Form 8814, add the amounts from line 5 of ALL your Forms 8814 and include the total on Form 1040, line 22 (or Form 1040NR, line 22).

Be sure to write "Form 8814" and show the total of the line 5 amounts in the space next to line 22 on your return.

Line 8.—If you are filing more than one Form 8814, add the amounts from line 8 of ALL your Forms 8814 and include the total on Form 1040, line 38 (or Form 1040NR, line 36).

Alternative Minimum Tax.—If your child received any tax-exempt interest (or tax-exempt dividends) from a regulated investment company (or certain private activity bonds, you must take this into account in determining if you owe the alternative minimum tax. Get Form 6251, Alternative Minimum Tax—Individuals, and its instructions for more information.

Foreign Accounts and Foreign Trusts.—If your child had a foreign financial account or was a grantor of a foreign trust (or a regulated investment company) from 1985 through 1989, Part III of Schedule B (Form 1040) would have to be completed and attached to the child's return if he or she was filing a return. If Part III of Schedule B had been completed for your child, would either the question on line 10a or line 11 have been answered "Yes"? If so, you must file Schedule B with your return and enter the line 10b amount on line 10b of applicable. Write "Form 8814" on the dotted line next to line 10a or line 11, whichever applies, on your Schedule B.

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to figure and collect the right amount of tax. You are required to give us this information.

The time needed to complete and file this form will vary depending on your individual circumstances. The estimated average time is:

Recording Learning about the law or the form 20 minutes

Preparing the form 8 minutes

Copying, assembling, and sending the form to IRS 16 minutes

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. Write to the IRS, Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

U.S. Government Printing Office: 1989-781-511 (P8902)

References in the index are either to table or page numbers. Table references appear in the form "X.X" (for example 1.1, 3.2, etc.) or a capital letter (for example A, B, etc.), and page numbers are preceded by the letters pg.

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Reported on:	
Returns with itemized deductions	2.1
Classified by marital status	2.2
Time series, 1975-1989	A
Passive losses	
Change in law	pg 5
Payment with request for extension of filing time	
Classified by:	
Size of adjusted gross income	3.3
Definition	pg 70
Payments to a Keogh plan	
Classified by:	
Marital status	1.3
Size of adjusted gross income	1.4
Definition	pg 70
Reported on:	
Returns with itemized deductions	
classified by marital status	2.2
Time series, 1975-1989	A
Penalty tax on qualified retirement plans	
Classified by:	
Size of adjusted gross income	1.4, 3.3
Definition	pg 70
Pensions and annuities	
Change in law	pg 5
Classified by:	
Marital status	1.3
Size of adjusted gross income	1.4
1979 income concept	B
Definition	pg 70
Reported on:	
Returns with itemized deductions	2.1
Classified by marital status	2.2
Time series, 1975-1989	A
Personal exemption	
(See Exemptions)	
Personal interest deduction	
(See Interest paid deduction)	
Personal interest paid	
(See Interest paid deduction)	
Personal property taxes deduction	
(See Taxes paid deduction)	
Population and sample	
Reported on Forms 1040, 1040A and	
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Classified by:	
Size of adjusted gross income	1.4, 3.3
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Prescription medicine and drug expense	
(See Medical and dental expense deduction)	

Primary IRA payments

(See also Individual retirement arrangement adjustment, deductible payments)

Classified by marital status 1.3

Reported on:

Form 1040A returns 1.6

Returns with itemized deductions 2.2

Processing and management of the sample

Description pg 14

R**Real estate taxes**

(See Taxes paid deduction)

Refund

(See also Overpayment refunded)

Definition pg 71

Regular tax computation

Classified by:

Size of adjusted gross income 3.1

Definition pg 71

Rent and royalty net income or loss

Classified by:

Marital status 1.3

Size of adjusted gross income 1.4

Reported on:

Returns with itemized deductions 2.1

Classified by marital status 2.2

Time series, 1975-1989 A

Rent net income or loss

Classified by:

Size of adjusted gross income 1.4

Definition pg 71

Requirements for filing

Description pg 1

Retrospective income concept

Classified by size of adjusted gross

income and 1979 income concept B

Description pg 6

Royalty net income or loss

Classified by:

Size of adjusted gross income 1.4

Definition pg 71

S**S Corporations**

(See Partnership and S Corporation net income or loss)

Salaries and wages

Classified by:

Marital status 1.3

Size of adjusted gross income 1.4

1979 income concept B

Definition pg 72

Reported on:

Form 1040A returns 1.6

Form 1040EZ returns 1.5

Returns with itemized deductions 2.1

Classified by marital status 2.2

Time series, 1975-1989 A

Sales of capital assets reported on**Schedule D**

Classified by:

Marital status 1.3

Size of adjusted gross income 1.4

1979 income concept B

Definition pg 72

Reported on:

Returns with itemized deductions 2.1

Classified by marital status 2.2

Time series, 1975-1989 A

Sales of property other than capital assets**net gain or loss**

Classified by:

Marital status 1.3

Size of adjusted gross income 1.4

Definition pg 73

Reported on:

Returns with itemized deductions 2.1

Classified by marital status 2.2

Sample design and selection criteria

Description pg 13

Secondary IRA payments

(See also Individual retirement arrangement adjustment deductible payments)

Classified by marital status 1.3

Reported on:

Form 1040A returns 1.6

Returns with itemized deductions 2.2

Self-employed health insurance adjustment

Classified by size of adjusted gross income . . 1.4

Definition pg 73

Self-employment tax

Change in law pg 5

Classified by:

Size of adjusted gross income 1.4, 3.3

Definition pg 73

Separate returns of husbands and wives

(See also Marital filing status)

Classified by sources of income 1.3

Single persons, returns of

(See also Marital filing status)

Classified by:

Sources of income 1.3

Size of adjusted gross income 1.2

Size of adjusted gross income

Classified by:

Marital status	1.2
Selected income and tax items	1.1
Sources of income	1.4
Type of tax computation	3.1
Definition	pg 73

Reported on:

Form 1040A returns	1.6
Form 1040EZ returns	1.5
Returns with itemized deductions	2.1
Returns with modified taxable income	3.1
Tax generated by rate	3.5
Returns with total income tax	3.2
Type of exemption	2.3

Size of income

Classified by size of adjusted gross income and by 1979 income concept	B
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Social security benefits

Benefits in adjusted gross income:

Classified by:

Marital status	1.3
Size of adjusted gross income	1.4

Reported on:

Returns with itemized deductions	2.1
Classified by:	
Marital status	2.2
Size of adjusted gross income	1.4
Definition	pg 73

Social security taxes on tip income

Classified by:

Size of adjusted gross income	3.3
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Sources of income

(See also specific type)

Classified by:

Marital status	1.3
Size of adjusted gross income	1.4

Reported on:

Form 1040A returns	1.6
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Returns with itemized deductions classified by marital status	2.2

Sources of the data

(See Description of the sample)

Standard deduction

(See also Basic and additional standard deductions)

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Classified by marital status	1.2
Definition	pg 74
Reported on Form 1040EZ returns	1.5

State and local income taxes deduction

(See Taxes paid deduction)

State income tax refunds

Classified by:

Marital status	1.3
Size of adjusted gross income	1.4
Definition	pg 74

Reported on:

Returns with itemized deductions	2.1
Classified by marital status	2.2

Statutory adjustments

(See also specific type)

Classified by:

Marital status	1.3
Size of adjusted gross income	1.4
1979 income concept	B
Definition	pg 74

Reported on:

Form 1040A returns	1.6
Returns with itemized deductions	2.1
Classified by marital status	2.2
Time series, 1975-1989	A
Type of adjustment	1.4

Surviving spouses, returns of

(See also Marital filing status)

Classified by sources of income	1.3
---	-----

T**Tax credits**

(See also specific type)

Classified by:

Marital status	1.3
Size of adjusted gross income	1.4, 3.3
1979 income concept	B
Definition	pg 77

Reported on:

Returns with modified taxable income	3.1
Returns with itemized deductions	2.1
Classified by marital status	2.2
Time series, 1975-1989	A
Type of credit	3.3

Tax due at time of filing

Classified by:

Marital status	1.3
Size of adjusted gross income	1.4, 3.3
Definition	pg 75

Reported on:

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Returns with itemized deductions classified by marital status	2.2

Tax from recomputing prior-year investment credit

Classified by size of adjusted gross income	3.3
Definition	pg 75

Tax generated

Classified by:

Marginal tax rate 3.4

Tax generated at specified rate 3.5

Definition pg 75

Reported on returns with modified
taxable income 3.1**Tax items**

(See also specific type)

Classified by:

Marital status 1.3

Size of adjusted gross income 1.4, 3.3

Reported on:

Form 1040A returns 1.6

Form 1040EZ returns 1.5

Returns with modified taxable income 3.1

Returns with itemized deductions
classified by marital status 2.2**Tax liability**

Classified by:

Marital status 1.3

Size of adjusted gross income 1.4, 3.3

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Reported on:

Returns with itemized deductions
classified by marital status 2.2**Tax payments**

(See also specific type)

Classified by:

Marital status 1.3

Size of adjusted gross income 1.4, 3.3

Definition pg 75

Reported on returns with itemized
deductions classified by marital status 2.2

Type of tax payment 1.4

Tax preparation fee

(See Miscellaneous itemized deductions)

Tax rates

(See Tax generated)

Change in law pg 6

Tax-exempt interest

Classified by:

Marital status 1.3

Size of adjusted gross income 1.4

Definition pg 76

Reported on:

Form 1040A returns 1.6

Returns with itemized deductions 2.1

Classified by marital status 2.2

Taxable income

Classified by:

Marital status 1.3

Size of adjusted gross income 1.4

1979 income concept B

Marital status 1.2

Size of cumulated adjusted gross income 1.1

Tax generated at specified rate 3.5

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Reported on:

Form 1040A returns 1.6

Form 1040EZ returns 1.5

Returns with modified taxable income 3.1

Returns with itemized deductions 2.1

Classified by marital status 2.2

Time series, 1975-1989 A

Taxable interest received

Classified by:

Marital status 1.3

Size of adjusted gross income 1.4

1979 income concept B

Definition pg 76

Reported on:

Form 1040A returns 1.6

Form 1040EZ returns 1.5

Returns with itemized deductions 2.1

Classified by marital status 2.2

Time series, 1975-1989 A

Taxable returnsClassified by size of cumulated adjusted
gross income 1.1

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Reported on:

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Taxes paid deduction

Classified by marital status 1.3

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Reported on:

Returns with itemized deductions 2.1

Classified by marital status 2.2

Time series, 1975-1989 A

Type of taxes paid deduction 2.1

Total deductions

Time series, 1975-1989 A

Total incomeClassified by size of adjusted gross
income and by 1979 income concept B

Description pg 7

Time series, 1975-1989 A

Total income tax

As percent of adjusted gross income 3.2

Type of tax computation 3.1

Average 1.1

Type of tax computation 3.1

Classified by:

Marital status 1.3

Number of exemptions 2.4

Size of adjusted gross income	1.4
1979 income concept	B
Marital status	2.1
Number of exemptions	2.3
Size of cumulated adjusted gross income . .	1.1
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Reported on:	
Form 1040EZ returns	1.5
Returns with modified taxable income	3.1
Returns with itemized deductions	2.1
Classified by marital status	2.2
Time series, 1975-1989	A
Total itemized deductions	
Classified by:	
Marital status	1.3
Size of adjusted gross income	1.4
Marital status	1.2
1979 income concept	B
Definition	pg 77
Reported on:	
Returns with itemized deductions	2.1
Classified by marital status	2.2
Time series, 1975-1989	A
Type of deduction	2.1
Total personal credits	
Type of return	
Classified by:	
Size of adjusted gross income	1.4

Type of tax computation

Classified by size of adjusted gross income . .	3.1
Definition	pg 78

U**Unemployment compensation**

Classified by:	
Marital status	1.3
Size of adjusted gross income	1.4
Definition	pg 78
Reported on:	
Form 1040A returns	1.6
Returns with itemized deductions	2.1
Classified by marital status	2.2

Unreimbursed employee business expense

(See also Miscellaneous itemized deductions
and employee business expense)

Reported on returns with itemized deductions	2.1
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W**Windfall profit tax overpayment**

(See Overpayment of windfall profit tax)



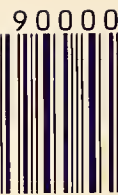
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